

Unum Group  
Form DEF 14A  
April 08, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. \_\_)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Unum Group**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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x No fee required.

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

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

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

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

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(3) Filing Party:

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(4) Date Filed:

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**Notice of Annual Meeting**

and

**Proxy Statement**

**Annual Meeting of Stockholders**

**Friday, May 22, 2009**

2211 Congress Street, Portland, Maine

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April 8, 2009

Unum Group Stockholders:

On behalf of the board of directors and all of the employees of Unum, it is my pleasure to invite you to our 2009 Annual Meeting of Stockholders on Friday, May 22, 2009. This year's meeting will be held at 10:00 a.m. Eastern Daylight Time at our corporate offices located at 2211 Congress Street in Portland, Maine.

The purpose of the meeting is to elect four directors for terms expiring in 2012 and ratify Ernst & Young LLP as the company's independent registered public accounting firm for 2009. We will also consider any other business that may properly come before the meeting.

The Board of Directors recommends that you vote in favor of Items 1 and 2, which are described in the attached Proxy Statement. For more information on attending the Annual Meeting, voting eligibility and how to cast a ballot on these measures, please review the section titled "About the Proxy and Annual Meeting" that begins on page 7.

We are again furnishing proxy materials to stockholders over the Internet, which allows us to lower our costs and reduce the environmental impact of our Annual Meeting. On April 8, 2009, we began mailing to certain stockholders a Notice Regarding the Availability of Proxy Materials. The notice contains instructions on accessing our 2009 Proxy Statement and Annual Report from our website, and how you can vote online. Some stockholders have requested or are required by law to receive the Proxy Statement and Annual Report by mail.

Thank you for your support of Unum Group. We look forward to seeing you at our Annual Meeting.

Sincerely,

Thomas R. Watjen  
*President and Chief Executive Officer*

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April 8, 2009

**Notice of 2009 Annual Meeting of Stockholders**

Time and Date	10:00 a.m. Eastern Daylight Time on Friday, May 22, 2009
Place	Unum Group 2211 Congress Street Portland, Maine 04122
Webcast	An audio webcast of the Annual Meeting will be available on our website at <a href="http://www.unum.com">www.unum.com</a> in the Investors area beginning at 10:00 a.m. Eastern Daylight Time on May 22, 2009. The webcast will be archived on the website through June 5, 2009. Information on the website, other than the Proxy Statement and form of proxy, is not a part of our proxy soliciting material.
Items of Business	To elect four members of the Board of Directors, each for a term of three years;  To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2009; and  To transact other business that may properly come before the meeting.
Record Date	You can vote if you were a stockholder of record on March 25, 2009.
Proxy Voting	Every stockholder's vote is important. Please complete, sign, date and return your proxy form, or submit your vote and proxy by Internet or telephone.

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Annual Report to Stockholders      The Annual Report to Stockholders, including our audited financial statements for the fiscal year ending December 31, 2008, and the proxy card enclosed with this Proxy Statement, are being mailed or provided electronically on or about April 8, 2009, to stockholders of record.

Susan N. Roth

*Vice President, Transactions, SEC and Corporate Secretary*

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2009 Proxy Statement

About the Proxy and Annual Meeting

**About the Proxy and Annual Meeting**

You are receiving these materials in connection with the solicitation of proxies on behalf of the Board of Directors of Unum Group to be voted at the Annual Meeting of Stockholders on Friday, May 22, 2009, or any adjournment or postponement of the Annual Meeting. The materials are being provided by Internet, by e-mail, or by mail if you have requested this method or it is required. This Proxy Statement and form of proxy are first being made available to stockholders on or about April 8, 2009.

The Annual Meeting will take place at 10 a.m. Eastern Daylight Time on May 22, 2009, at our corporate offices at 2211 Congress Street, Portland, Maine 04122.

**What is included in these materials?**

These materials include our Proxy Statement for the Annual Meeting and our 2008 Annual Report to stockholders, which includes audited consolidated financial statements. If you received a printed version of these materials by mail, in addition to the above you will also receive a proxy card or voting instruction card for the meeting.

**Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full printed set?**

This year we are pleased to again be using the Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice Regarding the Availability of Proxy Materials on the Internet instead of a printed set of materials. All stockholders receiving the notice will have the ability to access our materials over the Internet and to request that current or future copies of these materials be sent by mail or e-mail. Instructions on how to access these materials over the Internet or to request a printed copy can be found on the meeting notice, which will also serve as an admission ticket for the Annual Meeting.

**How can I get electronic access to the proxy materials?**

Instructions on how to access electronic materials are included in the notice regarding the availability of our proxy materials and the proxy card or voting instruction card. These provide information on how to:

View our proxy materials for the Annual Meeting over the Internet; and

Instruct us to send future proxy materials to you electronically by e-mail.

Our proxy materials are also available on our website at [www.unum.com](http://www.unum.com) in the Investors area under Proxy Materials. Choosing to access your future proxy materials electronically is not only environmentally responsible, but will also reduce the cost of printing and distributing these documents. If you choose to access future proxy materials electronically, you will receive an e-mail with instructions and website links to where those materials are available and to vote by proxy. Your choice to receive proxy materials by e-mail will remain in effect until you change it.

**Where are Unum's principal offices located?**

Our principal executive offices are located at 1 Fountain Square, Chattanooga, Tennessee 37402. Our main telephone number is 423-294-1011.

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About the Proxy and Annual Meeting

2009 Proxy Statement

**How can I attend the Annual Meeting?**

You will need an admission ticket or proof of ownership of the company's common stock as of March 25, 2009, and valid picture identification (such as a driver's license or passport) to enter the Annual Meeting. If you are a stockholder of record, the Notice Regarding the Availability of Proxy Materials will serve as an admission ticket, or if you received a printed set of proxy materials, an admission ticket is attached to your proxy card. Bring either the notice or detach and bring the ticket with you to the meeting.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the meeting, you may present a recent brokerage statement or letter from a bank or broker as an example of proof of ownership. If you arrive at the meeting without an admission ticket, you will be admitted only after we can verify that you are a stockholder.

There will be signs on the corporate campus in Portland, Maine, directing you to parking and the meeting location. Directions to this location are provided in Appendix B of this Proxy Statement and are also available on our website at [www.unum.com/directions](http://www.unum.com/directions). No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting. For your safety and that of other stockholders, we reserve the right to inspect all personal items prior to admission.

**Can I listen to the Annual Meeting on the Internet?**

Yes, you can access a live audio webcast of the Annual Meeting on our website at [www.unum.com](http://www.unum.com), in the Investors area. To register, access the webcast on the website and provide the information requested. The meeting will begin at 10:00 a.m. Eastern Daylight Time on Friday, May 22, 2009, and be archived on our website through June 5, 2009.

**Who can vote at the Annual Meeting?**

Holders of the company's common stock at the close of business on March 25, 2009, are entitled to receive this notice and to vote their shares at the Annual Meeting. On that date there were approximately 331,208,574 shares of our common stock outstanding. The common stock is the only class of equity securities entitled to be voted at the meeting. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

If your shares are registered directly in your name, you are the holder of record and these proxy materials have been sent directly to you by the company.

If you own your shares in a stock brokerage account or through a bank or other holder of record, you are the beneficial owner of shares held in street name. As a result, these proxy materials have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct the holder of record how to vote your shares. You must follow the instructions provided to you by the holder of record to have your vote counted.

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About the Proxy and Annual Meeting

**How do I vote?**

You may cast your vote prior to the Annual Meeting by using one of three methods:

**By Internet**

If you are a holder of record you may vote by Internet at [www.envisionreports.com/unm](http://www.envisionreports.com/unm). Internet voting is available 24 hours a day, although your vote by Internet must be received by 2:00 a.m. Eastern Daylight Time, May 22, 2009. You will need the control number included on the notice you received regarding the Internet availability of proxy materials or, if you are receiving a printed copy of these materials, on the enclosed proxy card. If you vote by Internet, do not return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the voting instruction card provided to you by your broker, bank or other holder of record for Internet voting instructions.

**By telephone**

If you are a holder of record, you may vote by calling 800-652-VOTE (8683). If you are receiving a printed copy of these proxy materials, this toll free number is also included on the proxy card. Telephone voting is available 24 hours a day, although your vote by phone must be received by 2:00 a.m. Eastern Daylight Time, May 22, 2009. You will need the control number included on the notice you received regarding the Internet availability of proxy materials or, if you are receiving a printed copy of these materials, on the enclosed proxy card. If you vote by telephone, do not return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the voting instruction card or notice of Internet availability of proxy materials provided to you by your broker, bank or other holder of record for telephone voting instructions.

**By mail**

If you are a holder of record and received a printed copy of the proxy materials, complete, sign, and date the proxy card and return it in the accompanying pre-addressed, stamped envelope. Your vote by mail must be received by our tabulator, Computershare Investor Services, at the below address by the close of business on May 21, 2009.

Proxy Services

c/o Computershare Investor Services

P.O. Box 43126

Providence, RI 02940-5138

If you hold your shares in street name and you received a printed copy of the proxy materials, please refer to the voting instruction card provided to you by your broker, bank or other holder of record for mailing instructions.

Note that the Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to give their voting instructions and confirm that stockholders' instructions have been recorded properly. We have been advised that the Internet and telephone voting procedures that have been made available to you are consistent with the requirements of applicable law. If you incur usage charges from Internet access providers and telephone companies or any other charges in connection with voting via the Internet or telephone, these charges must be paid by you.



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You may also vote in person at the Annual Meeting. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting. If you intend to vote in person, please notify the tellers prior to the beginning of the meeting.

**How will votes be counted?**

Proxies for shares that have been properly submitted, and not revoked, will be voted at the Annual Meeting in accordance with your instructions. If you vote by proxy card or voting instruction card and sign the card, without indicating how you want your shares to be voted, your shares will be voted in accordance with the following recommendations of the Board of Directors:

FOR election of all the nominees for director; and

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2009. Directors are elected by a majority of the votes cast at the meeting. For this purpose, our bylaws provide that a majority of the votes cast means the number of votes for a director must exceed 50 percent of the votes cast with respect to that director. Each vote against a director will count as a vote cast with respect to that director, but an abstention will not count as a vote cast with respect to that director and thus will not impact the election of directors. If a director is not elected, our bylaws provide that the director must offer to tender his or her resignation to the Board. The Governance Committee will make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. If the director who tenders his or her resignation is a member of the Governance Committee, that director will not participate in the Governance Committee's recommendation to the Board. The Board will act on the Governance Committee's recommendation and publicly disclose its decisions and the rationale behind it within 90 days from the date of the certification of the election results.

A New York Stock Exchange (NYSE) member broker who holds shares in street name for a customer has the authority to vote on certain items if the broker does not receive instructions from the customer. The NYSE rules permit member brokers who do not receive instructions to vote both on the election of directors and the proposal to ratify the appointment of our independent registered public accounting firm.

Representatives of our transfer agent, Computershare Investor Services, will tabulate the votes and act as inspectors of the election. Proxies that are not signed and returned or otherwise properly submitted, including those not returned by banks, brokers, or other holders of record, will not be counted for quorum or voting purposes.

We will include the voting results from the Annual Meeting in our Quarterly Report on Form 10-Q for the quarter ending June 30, 2009, which we expect to file with the SEC in August 2009.

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About the Proxy and Annual Meeting

**What vote is required to approve a measure?**

The affirmative vote of a majority of the votes cast at the Annual Meeting with respect to each director is required to elect that director to the Board.

The affirmative vote of a majority of the votes entitled to be cast by the stockholders represented and entitled to vote at the meeting is required to approve ratification of Ernst & Young LLP as our independent registered public accounting firm for 2009.

A quorum is required to transact business at the Annual Meeting and is reached if the holders of at least a majority of the shares entitled to vote are present, either in person or by proxy. Votes at the meeting are cast by stockholders present and by proxy ballots submitted prior to the meeting.

**How can I revoke my proxy or change my vote?**

If you are a holder of record, you can revoke your proxy before it is exercised by giving written notice of revocation to our Corporate Secretary. An earlier proxy is also revoked by a valid later proxy or later vote by telephone or by the Internet, or by appearing at the meeting and voting by ballot. If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other holder of record. You may also vote in person at the meeting if you obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot.

**How can I access Unum's Annual Report on Form 10-K on the Internet or obtain a written copy?**

You can access our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, via the Internet by going to the Investors area section of our website at [www.unum.com](http://www.unum.com). The 2008 Annual Report on Form 10-K is not incorporated into this Proxy Statement and is not considered proxy soliciting material.

With a written request to the following address, or by calling toll-free 800-718-8824, we will provide to each person solicited a free copy of the 2008 Annual Report on Form 10-K, including the financial statements and financial statement schedules filed as part of the report.

Susan N. Roth

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee 37402

**Who pays for the cost of this proxy solicitation?**

We pay the cost of soliciting proxies from our stockholders. Proxies are solicited by mail and e-mail, and may also be solicited personally or by telephone by our directors, officers and employees. We have also retained the services of Innisfree M&A Incorporated, a proxy soliciting firm, to assist in distributing and soliciting the proxies for the Annual Meeting, and Computershare Investor Services, to provide certain administrative services in connection with distributing the proxies for the meeting. We pay Innisfree a fee of \$15,000 and reasonable out-of-pocket expenses. We also makes appropriate

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About the Proxy and Annual Meeting

2009 Proxy Statement

arrangements with brokerage houses, banks and other custodians, nominees and fiduciaries, to help solicit proxies from the beneficial owners of shares held of record by such persons.

**Will other business be conducted at the Annual Meeting?**

At the time this Proxy Statement was printed, there are no other matters that the Board of Directors intends to present, or has reason to believe others will present, at the Annual Meeting. If other matters come before the meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters.

**How can stockholders include proposals for presentation at Unum's 2010 Annual Meeting?**

SEC rules and our bylaws allow for the submission of proposals by stockholders for presentation at the Annual Meeting, although they also make clear that simply submitting a proposal does not guarantee its inclusion. While it is too late for proposals to be submitted for presentation at this year's meeting, if a stockholder wants to include a proposal in the Proxy Statement and form of proxy for presentation at our 2010 Annual Meeting, the proposal must be received at the below address by December 9, 2009.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee 37402

**Is Unum householding for stockholders sharing the same address?**

The SEC's rules for delivery of proxy materials to stockholders permit us to deliver a single copy of these documents to an address shared by two or more of our stockholders. This method of delivery is called "householding," and its use can significantly reduce the volume of mail you receive. This year, we are delivering only one set of proxy materials to multiple stockholders sharing a single address unless we receive instructions to the contrary from one or more of those stockholders. We will still be required, however, to send you and each other stockholder at your address an individual proxy voting card. If you would like to receive more than one set of proxy materials, copies are available by writing the address below or calling toll-free 800-446-2617:

Computershare Investor Services

P.O. Box 43069

Providence, RI 02940-3069

The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials in the future, or to request delivery of a single copy of our proxy materials if you are receiving multiple copies.

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Board and Committee Information and Membership

**Board and Committee Information and Membership**

**How often does the Board meet?**

During 2008, our Board of Directors met eight times. With the exception of Kevin T. Kabat, who joined the Board on June 30, 2008, each incumbent director attended at least 75 percent of the total of full Board and Committee meetings held during the period for which each was a director and/or served on a committee. In addition to executive sessions of the standing committees, the independent directors met seven times in executive session during 2008. Jon S. Fossel, the Chairman of the Board and lead independent director, presides over the executive sessions of the independent directors.

As stated in our Corporate Governance Guidelines, all directors are expected to make every effort to attend the Annual Meeting and meetings of the Board and committees of which they are members. All members of our Board attended the Annual Meeting in 2008.

**What are the standing Board committees?**

The Board of Directors has five standing committees: Audit, Finance, Governance, Human Capital and Regulatory Compliance. In addition to the duties contained in their respective charters, each committee may be assigned additional tasks by the Board from time to time, and each is charged with reporting its activities to the Board. Each standing committee has a charter, all of which are available free of charge on our website at [www.unum.com](http://www.unum.com) in the Investors area under Corporate Governance. Copies also are available from the following address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee 37402

**Which Board members serve on what committees?**

Following is a list of current Board members and the respective committees each serves on. A C means the director is a committee chairperson.

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Board and Committee Information and Membership

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Name	BOARD MEMBERS AND COMMITTEES				Human Capital	Regulatory Compliance
	Term Expires	Audit	Finance	Governance		
E. Michael Caulfield	2010	X	C			
Jon. S. Fossel	2011					
Pamela H. Godwin	2009			X	X	
Ronald E. Goldsberry	2010		X	X		
Kevin T. Kabat	2010		X			X
Thomas Kinser	2009	X			X	
Gloria C. Larson	2011	X				C
A.S. (Pat) MacMillan, Jr.	2009				C	X
Edward J. Muhl	2009				X	X
Michael J. Passarella	2010	C	X			
William J. Ryan	2011		X	C		
Thomas R. Watjen	2011					

The primary purpose of the Audit Committee is to oversee the company's financial reporting process on behalf of the Board of Directors. Under the charter, the Committee's overall responsibilities include selecting the independent registered public accounting firm, and monitoring and oversight of the:

Integrity of our financial statements;

Effectiveness of our internal controls over financial reporting;

Legal and regulatory compliance;

Performance and use of our internal audit function and independent auditors;

Code of Business Conduct and Ethics policies and procedures; and

Financial risks, operational risks and any other risks not allocated to another Board committee.

Members as of December 31, 2008, were: Michael J. Passarella (Chair), E. Michael Caulfield, Thomas Kinser and Gloria C. Larson.

The Audit Committee met 11 times during 2008. All members of the Audit Committee are independent according to the NYSE requirements, and as required by SEC rules and regulations, and otherwise satisfy the independence requirements of our Corporate Governance Guidelines. The Board has determined that two members of the Audit Committee, Michael J. Passarella and E. Michael Caulfield, are audit committee financial experts as defined by SEC regulations. Both Mr. Passarella and



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2009 Proxy Statement

Board and Committee Information and Membership

Mr. Caulfield also have accounting or related financial management expertise within the meaning of the listing standards of the NYSE. All members of the Audit Committee have been determined by the Board to be financially literate as required by the NYSE.

**Finance Committee**

The Finance Committee assists the Board in overseeing risk associated with the company's investments and related financial matters. Oversight of financial risk, however, is the responsibility of the Audit Committee. Under the charter, the Finance Committee's overall responsibilities are to:

Monitor, evaluate and recommend present and future capital and financing plans and capital requirements and opportunities relative to our business;

Develop, adopt, revise, and oversee implementation of and compliance with investment strategies, guidelines and policies;

Review, advise and provide reports with respect to our financial resources and investments to the Board of Directors;

Authorize borrowing by the company;

Review material proposed mergers, acquisitions, divestitures, restructurings, and joint ventures and report to the Board on implications to our financial and capital plans; and

Review, assess and report on the impact of various finance activities on our debt ratings.

Members as of December 31, 2008, were: E. Michael Caulfield (Chair), Ronald E. Goldsberry, Kevin T. Kabat, Michael J. Passarella and William J. Ryan.

The Finance Committee met six times during 2008. All Committee members satisfy the independence requirements of our Corporate Governance Guidelines.

**Governance Committee**

The Governance Committee has primary responsibility for developing, implementing and overseeing the company's corporate governance policies. Under the charter, the Committee's primary responsibilities are to:

Oversee compliance with our Corporate Governance Guidelines;

Review the criteria for selecting new directors;

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Identify qualified candidates for the Board;

Develop and implement a process for evaluating the Board and its members;

Develop standards for independence of directors; and

Periodically review and make recommendations to the Board regarding membership on Board Committees.

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Board and Committee Information and Membership

2009 Proxy Statement

Members as of December 31, 2008, were: William J. Ryan (Chair), Pamela H. Godwin and Ronald E. Goldsberry.

The Governance Committee met six times during 2008. All members of the Governance Committee are independent according to the NYSE requirements and otherwise satisfy the independence requirements of our Corporate Governance Guidelines.

**Human Capital Committee**

The Human Capital Committee oversees the company's compensation and benefits. Under the charter, the Committee's primary responsibilities are to review and:

Approve the compensation for the CEO and other senior executives;

Evaluate employee compensation programs;

Oversee compensation regulatory compliance;

Recommend the compensation of directors to the Board;

Recommend any equity-based compensation plan to the Board;

Advise the Board on the Compensation Discussion and Analysis in our Proxy Statement;

Oversee compliance with the NYSE requirement that stockholders approve equity compensation plans; and

Prepare an Annual Report of the Committee for inclusion in our Proxy Statement as required by regulations of the SEC. Members as of December 31, 2008, were: A.S. (Pat) MacMillan, Jr. (Chair), Pamela H. Godwin, Thomas Kinser and Edward J. Muhl.

The Human Capital Committee met five times during 2008. All members of the Committee are independent according to NYSE requirements and otherwise satisfy the independence requirements of our Corporate Governance Guidelines to serve as members of the Committee and are non-employee directors for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and outside directors for purposes of Section 162(m) of the Internal Revenue Code.

**Committee Support**

The Executive Compensation group in our corporate human resources department supports the Human Capital Committee. The Committee has engaged Towers, Perrin, Forster & Crosby, Inc. ( Towers Perrin ) as its independent compensation consultant since 2003 for advice on executive compensation, including the competitiveness of program design and award values. Committee meetings are generally attended by Towers Perrin, which also participates in executive sessions without members of management

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in attendance and communicates with Committee members outside of meetings. Towers Perrin reports directly to the Committee, although the consultants may meet with members of management from time to time on proposals management may make to the Committee. The Committee evaluates the independence of its consultants in accordance with the policy it adopted in February 2009.



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Board and Committee Information and Membership

**Regulatory Compliance Committee**

The Regulatory Compliance Committee has responsibility for overseeing state and federal regulatory matters that arise in connection with our business that are not presently covered as part of the specifically delegated responsibility of one of the other standing Board committees. Under the charter, the Committee's primary responsibilities are to monitor and oversee:

Compliance by the company and its insurance subsidiaries with applicable laws and regulations concerning market conduct and Title I of the Employee Retirement Income Security Act of 1974, as amended;

Surveys, complaints and other sources of information relating to customer satisfaction with the products and services of the company and its insurance subsidiaries, particularly in claims handling services; and

Continued compliance with the Plan of Corrective Action entered into by our insurance subsidiaries as part of the Regulatory Settlement Agreements under the Multistate Market Conduct Examination ( RSA ) and the California Settlement Agreement ( CSA ) (Information with respect to the RSA and CSA is posted on our website at [www.unum.com/settlementagreement/](http://www.unum.com/settlementagreement/)).

Members as of December 31, 2008, were: Gloria C. Larson (Chair), Kevin T. Kabat, A.S. (Pat) MacMillan, Jr. and Edward J. Muhl.

The Regulatory Compliance Committee met six times during 2008. All members of the Regulatory Compliance Committee are independent and satisfy the requirements of our Corporate Governance Guidelines.

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Audit Committee Report

2009 Proxy Statement

**Audit Committee Report**

The primary purpose of the Audit Committee is to oversee our financial reporting process on behalf of the Board of Directors and is more fully described in the Committee's charter, which is available on the company's website [www.unum.com](http://www.unum.com) in the Investors area under Corporate Governance. The charter is also available by writing to the following address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Management has the primary responsibility for our financial statements and the reporting process, including the establishment and effectiveness of our internal controls over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. Our independent registered public accounting firm ( independent auditor ) is responsible for performing an independent audit of the financial statements and expressing an opinion on whether they conform to generally accepted accounting principles. The firm also is responsible for auditing management's assessment of the effectiveness of financial reporting's internal controls. The auditors report directly to the Committee, which is responsible for the appointment, compensation and oversight of the work performed by the auditors.

The Committee reviewed with the independent auditors their judgments of the quality and acceptability of our accounting principles and other matters required to be discussed with the Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61 (as amended). The Committee also received the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence, and discussed with the independent auditor the independent auditor's independence.

The Committee and the company's internal and independent auditors discussed the overall scope and plans for their respective audits. The Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the company's internal controls, and the overall quality of the company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board approved) that our audited financial statements for 2008 be included in our Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Michael J. Passarella, Chair

E. Michael Caulfield

Thomas Kinser

Gloria C. Larson



**Table of Contents**

2009 Proxy Statement

Corporate Governance

**Corporate Governance****Selection of Nominees for the Board**

The Governance Committee considers candidates for Board membership suggested by Board members, management and stockholders. The Committee uses a national executive search firm to help it identify candidates for the Board, obtain information about prospective candidates' backgrounds and experience, determine the candidates' levels of interest. rutiger 45 Light; font-size: 8pt; font-weight: normal; line-height: normal; margin-left: 1pt; padding-left: 1.5px; padding-right: 1.5px; padding-top: 1.5px; space-after: 3pt;" width="20%">

\$10.25

\* As of the date of this final terms supplement, available information for the fourth calendar quarter of 2018 includes data for the period from October 1, 2018 through November 1, 2018. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the fourth calendar quarter of 2018.

The graph below illustrates the performance of Deutsche Bank's American depositary receipts for the period indicated, based on information from Bloomberg. The solid line represents the trigger level of \$8.42, which is equal to 80.00% of the closing level on November 2, 2018. **The historical performance of the underlying asset should not be taken as indication of the future performance of the underlying asset during the term of the Securities.**

**What are the Tax Consequences of the Securities?**

**The U.S. federal income tax consequences of your investment in the Securities are uncertain. There are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as the Securities. Some of these tax consequences are summarized below, but we urge you to read the more detailed discussion in the prospectus supplement under “What are the Tax Consequences of the Securities?” and the accompanying product supplement under “Material U.S. Federal Income Tax Consequences — Securities Treated as Prepaid Derivatives or Prepaid Forwards” and to discuss the tax consequences of your particular situation with your tax advisor. This discussion is based upon the Internal Revenue Code of 1986, as amended (the “Code”), final, temporary and proposed U.S. Treasury Department (the “Treasury”) regulations, rulings and decisions, in each case, as available and in effect as of the date hereof, all of which are subject to change, possibly with retroactive**

**effect. Tax consequences under state, local and non-U.S. laws are not addressed herein. No ruling from the U.S. Internal Revenue Service (the “IRS”) has been sought as to the U.S. federal income tax consequences of your investment in the Securities, and the following discussion is not binding on the IRS.**

*U.S. Tax Treatment.* Pursuant to the terms of the Securities, UBS and you agree, in the absence of a statutory or regulatory change or an administrative determination or judicial ruling to the contrary, to characterize the Securities as pre-paid derivative contracts with respect to the underlying asset. If your Securities are so treated, you should generally recognize not accrue any income with respect to the Securities during the term of the Securities until the taxable disposition of the Securities and you should generally recognize gain or loss upon the taxable disposition of your Securities in an amount equal to the difference between the amount you receive at such time and the amount you paid for your Securities. Such gain or loss should generally be long-term capital gain or loss if you have held your Securities for more than one year (otherwise such gain or loss would be short-term capital gain or loss if held for one year or less). The deductibility of capital losses is subject to limitations.

**In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, based on certain factual representations received from us, it would be reasonable to treat your Securities in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Securities, it is possible that your Securities could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization, such that the timing and character of your income from the Securities could differ materially and adversely from the treatment described above, as described further under “Material U.S. Federal Income Tax Consequences — Alternative Treatments for Securities Treated as Any Type of Prepaid Derivative or Prepaid Forward” in the accompanying product supplement. Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in the Securities.**

*Section 1297.* We will not attempt to ascertain whether the underlying asset issuer would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of Section 1297 of the Code. If the underlying asset issuer were so treated, certain adverse U.S. federal income tax consequences might apply, including possible treatment of the Securities, in whole or in part, as a constructive ownership transaction, as discussed further under “Material U.S. Federal Income Tax Consequences — Securities Treated as Prepaid Derivatives or Prepaid Forwards — Section 1260” of the accompanying product supplement. You should refer to information filed with the SEC or the equivalent governmental authority by such entity and consult your tax advisor regarding the possible consequences to you in the event that the underlying asset issuer is or becomes a PFIC.

*Notice 2008-2.* In 2007, the IRS released a notice that may affect the taxation of holders of the Securities. According to Notice 2008-2, the IRS and the Treasury are actively considering whether the holder of an instrument such as the Securities should be required to accrue ordinary income on a current basis. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the Securities will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether non-U.S. holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments. Both U.S. and non-U.S. holders are urged to consult their tax advisor concerning the significance and potential impact of the above considerations.

Except to the extent otherwise required by law, UBS intends to treat your Securities for U.S. federal income tax purposes in accordance with the treatment described above and under “Material U.S. Federal Income Tax Consequences — Securities Treated as Prepaid Derivatives or Prepaid Forwards” in the accompanying product supplement unless and until such time as the IRS and the Treasury determine that some other treatment is more appropriate.

*Medicare Tax on Net Investment Income.* U.S. holders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income”, which may include any income or gain realized with respect to the Securities, to the extent of their net investment income that when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the income tax. U.S. holders should consult their tax advisors as to the consequences of the 3.8% Medicare tax to an investment in the Securities.

*Specified Foreign Financial Assets.* U.S. holders may be subject to reporting obligations with respect to their Securities if they do not hold their Securities in an account maintained by a financial institution and the aggregate value of their Securities and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds an applicable threshold. Significant penalties can apply if a U.S. holder is required to disclose its Securities and fails to do so.

*Non-U.S. Holders.* If you are a non-U.S. holder, subject to the discussion below regarding Section 871(m) of the Code and “FATCA,” you should generally not be subject to U.S. withholding tax with respect to payments on your Securities or to generally applicable information reporting and backup withholding requirements with respect to payments on your Securities if you comply with certain certification and identification requirements as to your non-U.S. status (by providing us (and/or the applicable withholding agent) with a fully completed and validly executed applicable IRS Form W-8). Subject to Section 871(m) of the Code, discussed below, gain from the taxable disposition of the Securities generally should not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by the non-U.S. holder in the U.S., (ii) the non-U.S. holder is a non-resident alien individual and is present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied or (iii) the non-U.S. holder has certain other present or former connections with the U.S.

*Section 871(m).* A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“delta one specified equity-linked instruments”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018. However, the IRS has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta one specified equity-linked instruments and are issued before January 1, 2021.

Based on our determination that the Securities are not “delta-one” with respect to the underlying asset, our counsel is of the opinion that the Securities should not be delta one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the Securities. If withholding is required, we will not make payments of any additional amounts.

Nevertheless, after issuance, it is possible that your Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the underlying asset or your Securities, and following such occurrence your Securities could be treated as delta one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the Securities under these rules if you enter, or have entered, into certain other transactions in respect of the underlying asset or the Securities. If you enter, or have entered, into other transactions in respect of the underlying asset or the Securities, you should consult your tax advisor regarding the application of Section 871(m) of the Code to your

Securities in the context of your other transactions.

**Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the Securities, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the Securities.**

*Foreign Account Tax Compliance Act.* The Foreign Account Tax Compliance Act (“FATCA”) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on “withholdable payments” (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and “passthru payments” (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account of the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA will generally apply to certain “withholdable payments” made on or after July 1, 2014, certain gross proceeds on a taxable disposition occurring after December 31, 2018, and certain foreign passthru payments made after December 31, 2018 (or, if later, the date that final regulations defining the term “foreign passthru payment” are published). If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Investors should consult their tax advisors about the application of FATCA, in particular if they may be classified as financial institutions (or if they hold their Securities through a foreign entity) under the FATCA rules.

*Proposed Legislation.* In 2007, legislation was introduced in Congress that, if it had been enacted, would have required holders of Securities purchased after the bill was enacted to accrue interest income over the term of the Securities despite the fact that there will be no interest payments over the entire term of the Securities.

Furthermore, in 2013, the House Ways and Means Committee released in draft form certain proposed legislation relating to financial instruments. If it had been enacted, the effect of this legislation generally would have been to require instruments such as the Securities to be marked to market on an annual basis with all gains and losses to be treated as ordinary, subject to certain exceptions.

It is not possible to predict whether any similar or identical bills will be enacted in the future, or whether any such bill would affect the tax treatment of your Securities. You are urged to consult your tax advisor regarding the possible changes in law and their possible impact on the tax treatment of your Securities.

**Both U.S. and non-U.S. holders are urged to consult their tax advisors concerning the application of U.S. federal income tax laws to their particular situation, as well as any tax consequences of the purchase, beneficial ownership and disposition of the Securities (including possible alternative treatments and the issues presented by Notice 2008-2) arising under the laws of any state, local, non-U.S. or other taxing jurisdiction.**

**Supplemental Plan of Distribution (Conflicts of Interest); Secondary Markets (if any)**

We have agreed to sell to UBS Securities LLC and UBS Securities LLC has agreed to purchase, all of the Securities at the issue price to the public less the underwriting discount indicated on the cover of this final terms supplement, the document filed pursuant to Rule 424(b) containing the final pricing terms of the Securities. UBS Securities LLC has agreed to resell all of the Securities to UBS Financial Services Inc. at a discount from the issue price to the public equal to the underwriting discount indicated on the cover of this final terms supplement.

**Conflicts of Interest** - Each of UBS Securities LLC and UBS Financial Services Inc. is an affiliate of UBS and, as such, has a “conflict of interest” in this offering within the meaning of FINRA Rule 5121. In addition, UBS will receive the net proceeds (excluding the underwriting discount) from the initial public offering of the Securities and, thus creates an additional conflict of interest within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of Rule 5121. Neither UBS Securities LLC nor UBS Financial Services Inc. is permitted to sell Securities in the offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

**UBS Securities LLC and its affiliates may offer to buy or sell the Securities in the secondary market (if any) at prices greater than UBS’ internal valuation** - The value of the Securities at any time will vary based on many factors that cannot be predicted. However, the price (not including UBS Securities LLC’s or any affiliate’s customary bid-ask spreads) at which UBS Securities LLC or any affiliate would offer to buy or sell the Securities immediately after the trade date in the secondary market is expected to exceed the estimated initial value of the Securities as determined by reference to our internal pricing models. The amount of the excess will decline to zero on a straight line basis over a period ending no later than 3 months after the trade date, provided that UBS Securities LLC may shorten the period based on various factors, including the magnitude of purchases and other negotiated provisions with selling agents. Notwithstanding the foregoing, UBS Securities LLC and its affiliates are not required to make a market for the Securities and may stop making a market at any time. For more information about secondary market offers and the estimated initial value of the Securities, see “Key Risks - Fair value considerations” and “Key Risks - Limited or no secondary market and secondary market price considerations” on pages 4 and 5 of this final terms supplement.

**Prohibition of Sales to EEA Retail Investors** — The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## **Validity of the Securities**

In the opinion of Cadwalader, Wickersham & Taft LLP, as special counsel to the issuer, when the Securities offered by this final terms supplement have been executed and issued by the issuer and authenticated by the trustee pursuant to the indenture and delivered, paid for and sold as contemplated herein, the Securities will be valid and binding obligations of the issuer, enforceable against the issuer in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors’ rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by Swiss law, Cadwalader, Wickersham & Taft LLP has assumed, without independent inquiry or investigation, the validity of the matters opined on by Homburger AG, Swiss



legal counsel for the issuer, in its opinion dated October 29, 2018 filed on that date with the Securities and Exchange Commission as Exhibit 5.3 to the issuer's registration statement on Form F-3 (the "Registration Statement"). In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and, with respect to the Securities, authentication of the Securities and the genuineness of signatures and certain factual matters, all as stated in the opinion of Cadwalader, Wickersham & Taft LLP dated October 29, 2018 filed on that date with the Securities and Exchange Commission as Exhibit 5.4 to the Registration Statement.