

ST JOE CO
Form DEF 14A
April 03, 2014
Table of Contents

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

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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The St. Joe Company

(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

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

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

April 3, 2014

Dear Shareholder:

It is my pleasure to invite you to attend The St. Joe Company's 2014 Annual Meeting of Shareholders. The meeting will be held on Wednesday, May 14, 2014, at 10:00 a.m., Central Daylight Time, at the WaterColor Inn at 34 Goldenrod Circle, Santa Rosa Beach, Florida 32459. At the meeting, you will be asked to:

1. Elect seven directors for a one-year term expiring at the 2015 Annual Meeting of Shareholders.
2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2014 fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers.
4. Transact such other business as may properly come before the 2014 Annual Meeting and any adjournment or postponement of the 2014 Annual Meeting.

Only shareholders of record as of the close of business on March 14, 2014 may vote at the Annual Meeting.

It is important that your shares be represented at the 2014 Annual Meeting, regardless of the number of shares you may hold. *Whether or not you plan to attend the meeting, please vote using the Internet, by telephone or by mail, in each case by following the instructions in our proxy statement.* This will not prevent you from voting your shares in person if you are present.

I look forward to seeing you on May 14, 2014.

Sincerely,

Bruce R. Berkowitz
Chairman of the Board

We mailed a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report on or about April 3, 2014. St. Joe's proxy statement and annual report are available online at <https://materials.proxyvote.com/790148>.

Table of Contents

Table of Contents

	Page
<u>I. Questions and Answers About Voting at the 2014 Annual Meeting and Related Matters</u>	1
<u>II. Proposal 1 - Election of Directors</u>	7
<u>III. Corporate Governance</u>	11
<u>Corporate Governance Guidelines</u>	11
<u>Board Leadership Structure</u>	11
<u>Director Independence</u>	11
<u>Board Committees</u>	12
<u>Board and Committee Meetings</u>	12
<u>Audit Committee</u>	13
<u>Compensation Committee</u>	14
<u>Governance and Nominating Committee</u>	15
<u>Executive Committee</u>	17
<u>Management Succession</u>	18
<u>Code of Business Conduct and Ethics/Related Person Transaction Policy</u>	18
<u>Certain Relationships and Related Transactions</u>	18
<u>Board Role in Management of Risk</u>	19
<u>Director Compensation</u>	20
<u>IV. Proposal 2 - Ratification of Independent Registered Public Accountants</u>	22
<u>Audit Committee Report</u>	23
<u>V. Executive Officers</u>	25
<u>VI. COMPENSATION DISCUSSION AND ANALYSIS</u>	26
<u>VII. Executive Compensation</u>	32
<u>Summary Compensation Table</u>	32
<u>Outstanding Equity Awards at December 31, 2013</u>	33
<u>Option Exercises and Stock Vested in 2013</u>	34
<u>Pension Benefits</u>	34
<u>Nonqualified Deferred Compensation in 2013</u>	36
<u>Potential Payments Upon Termination or Change in Control</u>	36
<u>VIII. Proposal 3 - Advisory Vote on Executive Compensation</u>	39
<u>IX. Security Ownership of Certain Beneficial Owners, Directors and Executive Officers</u>	41
<u>X. Other Matters</u>	43

Table of Contents

The St. Joe Company

133 South WaterSound Parkway

WaterSound, Florida 32413

PROXY STATEMENT

Proxy Statement for 2014 Annual Meeting of Shareholders to be held on May 14, 2014

You are receiving this proxy statement because you own shares of common stock of The St. Joe Company, which we refer to as St. Joe, that entitle you to vote at the 2014 Annual Meeting of Shareholders, which we refer to as the 2014 Annual Meeting. Our Board of Directors, which we sometimes refer to as the Board, is soliciting proxies from shareholders who wish to vote at the meeting. By use of a proxy, you can vote even if you do not attend the meeting. This proxy statement describes the matters on which you are being asked to vote and provides information on those matters so that you can make an informed decision.

Date, Time and Place of the 2014 Annual Meeting

We will hold the 2014 Annual Meeting on Wednesday, May 14, 2014, at 10:00 a.m., Central Daylight Time, at the WaterColor Inn at 34 Goldenrod Circle, Santa Rosa Beach, Florida 32459.

I. QUESTIONS AND ANSWERS ABOUT VOTING AT THE 2014 ANNUAL MEETING AND RELATED MATTERS

Q: *Who may vote at the 2014 Annual Meeting?*

A: Only holders of record of shares of our common stock at the close of business on March 14, 2014, the record date for the 2014 Annual Meeting, are entitled to notice of and to vote at the 2014 Annual Meeting or any adjournment or postponement of the meeting. On the record date, we had 92,292,913 shares of our common stock outstanding and entitled to be voted at the meeting.

Q: *How many votes do I have?*

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

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

A: We are required to have a quorum of shareholders present to conduct business at the meeting. The presence at the meeting, in person or by proxy, of the holders of at least a majority of the shares entitled to vote on the record date will constitute a

Table of Contents

quorum, permitting us to conduct the business of the meeting. Proxies received but marked as abstentions, if any, proxies returned without making any selections, if any, and broker non-votes (described below) will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes. If we do not have a quorum, we will be forced to reconvene the 2014 Annual Meeting at a later date.

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

A: If your shares are registered directly in your name with St. Joe's transfer agent, American Stock Transfer & Trust Company, you are considered the shareholder of record with respect to those shares. If your shares are held by a brokerage firm, bank, trustee or other agent, which we refer to as a nominee, you are considered the beneficial owner of shares held in street name. The Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, has been forwarded to you by your nominee who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your nominee on how to vote your shares by following its instructions for voting by telephone or on the Internet or, if you specifically request a copy of the printed materials, you may use the voting instruction card included in such materials.

Q: How do I vote?

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

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

Detailed instructions for Internet and telephone voting are set forth on the Notice, which contains instructions on how to access our proxy statement and annual report online. You may also vote in person at the 2014 Annual Meeting.

If your shares are held in our 401(k) Plan, your proxy will serve as a voting instruction for the trustee of our 401(k) Plan, who will vote your shares as you instruct. To allow sufficient time for the trustee to vote, your voting instructions must be received by May 12, 2014. If the trustee does not receive your instructions by that date, the trustee will vote the shares you hold through our 401(k) Plan FOR proposals 1, 2, and 3.

If you are a beneficial shareholder, you must follow the voting procedures of your nominee included with your proxy materials. If your shares are held by a nominee and you intend to vote at the meeting, please bring with you evidence of your

Table of Contents

ownership as of the record date (such as a letter from your nominee confirming your ownership or a bank or brokerage firm account statement).

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

A: At the 2014 Annual Meeting you will be asked to vote on the following three proposals. Our Board recommendation for each of these proposals is set forth below.

Proposal	Board Recommendation
1. To elect seven directors for a one-year term expiring at the 2015 Annual Meeting of Shareholders.	FOR
2. To ratify the appointment of KPMG LLP, which we refer to as KPMG, as our independent registered public accounting firm for the 2014 fiscal year.	FOR
3. To approve, on an advisory basis, the compensation of our named executive officers, which we refer to as Say on Pay.	FOR

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

Q: *What happens if additional matters are presented at the 2014 Annual Meeting?*

A: Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the 2014 Annual Meeting. If you grant a proxy, the persons named as proxy holders, Messrs. Bruce R. Berkowitz and Park Brady, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting in accordance with Florida law and our Bylaws.

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

A: Under our Bylaws, a majority of the votes cast is required for the election of directors in an uncontested election.

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

A: Under our Bylaws, a majority of the votes cast is required to approve the ratification of KPMG as our independent registered certified public accounting firm.

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

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

Table of Contents

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

A: Although the advisory vote on Proposal 3 is non-binding, our Board and the Compensation Committee will review the results of the vote and take it into account in making a determination concerning executive compensation for 2015.

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

A: If you sign and return your proxy without making any selections, your shares will be voted FOR proposals 1, 2, and 3. If other matters properly come before the meeting, Messrs. Bruce R. Berkowitz and Park Brady will have the authority to vote on those matters for you at their discretion. As of the date of this proxy statement, we are not aware of any matters that will come before the meeting other than those disclosed in this proxy statement.

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

A: If you are a beneficial shareholder and your shares are held in the name of a broker, the broker is bound by the rules of the New York Stock Exchange, which we refer to as the NYSE, regarding whether or not it can exercise discretionary voting power for any particular proposal if such broker has not received voting instructions from you. Brokers have the authority to vote shares for which their customers do not provide voting instructions only with respect to certain routine matters. A broker non-vote occurs when a nominee who holds shares for another does not vote on a particular matter because the nominee does not have discretionary voting authority for that matter and has not received instructions from the beneficial owner of the shares. Broker non-votes are included in the calculation of the number of votes considered to be present at the meeting for purposes of determining the presence of a quorum but are not counted as a vote cast with respect to a matter on which the nominee has expressly not voted. Other than the proposal to approve the ratification of KPMG (Proposal 2), none of the proposals described in this proxy statement relate to routine matters. As a result, a broker will not be able to vote your shares with respect to Proposals 1 and 3 absent your voting instructions.

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

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

The table below sets forth, for each proposal on the ballot: (1) whether a broker can exercise discretion and vote your shares with respect to such proposal absent your

Table of Contents

instructions; (2) the impact of broker non-votes (if applicable) on the approval of the proposal; and (3) the impact of abstentions on the approval of the proposal.

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

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

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

Written notice to our Corporate Secretary at The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413;

Executing and delivering to our Corporate Secretary a proxy with a later date;

Attending the 2014 Annual Meeting and voting in person; or

Submitting a telephonic or Internet vote with a later date.

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

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

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

Q: *Who can attend the 2014 Annual Meeting?*

A: Only shareholders and our invited guests are invited to attend the 2014 Annual Meeting. To gain admittance, you must bring a form of personal identification to the meeting, where your name will be verified against our shareholder list. If a broker or other nominee holds your shares and you plan to attend the meeting, you should bring a recent brokerage statement showing your ownership of the shares as of the record date or a letter from the broker or other nominee confirming such ownership, and a form of personal identification.

Q: *If I plan to attend the 2014 Annual Meeting, should I still vote by proxy?*

A: Yes. Casting your vote in advance does not affect your right to attend the 2014 Annual Meeting.

Table of Contents

If you vote in advance and also attend the meeting, you do not need to vote again at the meeting unless you want to change your vote. Written ballots will be available at the meeting for shareholders of record.

Beneficial shareholders who wish to vote in person must request a legal proxy from the broker or other nominee and bring that legal proxy to the 2014 Annual Meeting.

Q: Where can I find voting results of the 2014 Annual Meeting?

A: We will announce the results for the proposals voted upon at the 2014 Annual Meeting and publish final detailed voting results in a Form 8-K filed within four business days after the 2014 Annual Meeting.

Q: Who should I call with other questions?

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

Table of Contents

II. PROPOSAL 1 - ELECTION OF DIRECTORS

Under our Bylaws, directors are elected for a one-year term expiring at the next annual meeting of shareholders. Upon the recommendation of the Governance and Nominating Committee, which we refer to as the Governance Committee, our Board has nominated Mr. Cesar L. Alvarez, Mr. Bruce R. Berkowitz, Mr. Park Brady, Mr. Howard S. Frank, Mr. Jeffrey C. Keil, Mr. Stanley Martin and Mr. Thomas P. Murphy Jr. for re-election, each for a one-year term that will expire at the 2015 Annual Meeting of Shareholders, and each has consented to serve if elected.

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

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

Cesar L. Alvarez

Director since 2012

Age 66

Mr. Alvarez has served since February 2012 as Co-Chairman of the international law firm of Greenberg Traurig, LLP and previously served as its Chief Executive Officer from 1997 until his election as Executive Chairman in January 2010 and as its Executive Chairman from January 2010 until his election as Co-Chairman. Alvarez has served on the board of directors of each of Watsco, Inc. and Mednax, Inc. since 1997 and on the board of directors of Intrexon Corporation since 2008. Mr. Alvarez has also served on the board of directors of Fairholme Funds, Inc., which we refer to as the Fairholme Fund, since 2008. Additionally, in December of 2013, Mr. Alvarez joined the board of directors of Sears Holding Corporation. Mr. Alvarez previously served as a director of Atlantis Plastics, Inc. from 1995 until 2008 and as a director of New River Pharmaceuticals, Inc. from 2004 to 2007.

Qualifications. The Board nominated Mr. Alvarez to serve as a director of the Board due to his management experience as the current Chairman and as former Chief Executive Officer of one of the nation's largest law firms with professionals providing services in multiple locations across the country, as well as his many years of corporate governance experience, both counseling and serving on the boards of directors of other publicly traded companies.

Table of Contents

Bruce R. Berkowitz

Director since 2011

Chairman since 2011

Age 55

Mr. Berkowitz is the Founder, Managing Member and Chief Investment Officer of Fairholme Capital Management, LLC, which we refer to as Fairholme, and President and a director of the Fairholme Fund. The Fairholme Fund owned approximately 27.1% of our common stock as of the record date.

Mr. Berkowitz has served as a director of the Fairholme Fund since 1999. He has also served as a director of White Mountains Insurance Group, Ltd., a financial services holding company, from 2004 to 2010, AmeriCredit Corporation, a retail financial services company, from 2008 to 2009, TAL International Group Inc., a lessor of intermodal freight containers and chassis, from 2004 to 2009, and Winthrop Realty Trust, Inc., a real estate investment trust, from 2000 to 2008.

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

Park Brady

Director since 2011

Age 66

Mr. Brady has served as our Chief Executive Officer since October 2011. Prior to that, Mr. Brady served as our Chief Operating Officer from March 2011 until his appointment as Chief Executive Officer. Prior to joining us, Mr. Brady served as President and Chief Executive Officer of ResortQuest, one of the nation's leading vacation rental companies, from June 2007 to March 2011. During his tenure at ResortQuest, which began in 1998, Mr. Brady served as an original member of the company's board of directors and held various executive positions including Corporate Vice President and Chief Operating Officer before being named Chief Executive Officer in June of 2007. Mr. Brady currently serves as a member of the board of directors of Enterprise Florida, a public-private partnership serving as Florida's primary organization devoted to statewide economic development.

Qualifications. The Board nominated Mr. Brady to serve as a director of the Board because of his current and prior senior executive experience, his operational knowledge and his business and competitive knowledge of St. Joe's industry.

Table of Contents

Howard S. Frank

Director since 2011

Age 73

Mr. Frank is currently a Consultant to the CEO of Carnival Corporation & plc (Carnival). From January 1998 until January 2014, Mr. Frank served as the Chief Operating Officer and Vice Chairman of the board of directors of Carnival, the largest cruise vacation group in the world. Mr. Frank is a past Chairman and current Vice Chairman of the Board of Trustees for the New World Symphony and currently serves as independent director on the board of directors of the Fairholme Fund.

Qualifications. The Board nominated Mr. Frank to serve as a director of the Board because of his established record of achievement and sound business judgment demonstrated throughout his career with Carnival Corporation & plc.

Jeffrey C. Keil

Director since 2011

Age 70

Mr. Keil is a private investor who previously served as President and as a director of Republic New York Corporation and Vice Chairman of Republic National Bank of New York from 1984 to 1996. Mr. Keil has served as a director of Leucadia National Corporation since 2004, as Chairman of the Board of Knight Vinke Asset Management since 2007, and as a director of BlackRock Institutional Trust Company since 2010. Mr. Keil was formerly a director of Presidential Life Insurance Company and Anthracite Capital, Inc., a specialty real estate finance company.

Qualifications. The Board nominated Mr. Keil to serve as a director of the Board because of his prior and current public company experience, including senior executive experience and service as a director.

Stanley Martin

Director since 2012

Age 66

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

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

Table of Contents

Thomas P. Murphy, Jr.

Director since 2011

Age 65

Mr. Murphy is Chairman and Chief Executive Officer of Coastal Construction Group, a construction company that he founded in 1989. Mr. Murphy has 45 years of construction and development experience, which encompasses hospitality, resort, single and multi-family residential, commercial, educational and industrial projects. Mr. Murphy is an honorary Board member of Baptist Health Systems of South Florida and is a member of the Construction Industry Round Table, the National Association of Home Builders and the Florida Home Builders Association. Mr. Murphy also co-founded Seaboard Construction, which he grew to become one of the largest general contractors in Florida, selling the company in 1988 to Turner Construction, the largest general contractor in the United States at the time. Mr. Murphy has served as a director of Interval Leisure Group, Inc. since August 2008.

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

Recommendation of the Board of Directors

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

Table of Contents

III. CORPORATE GOVERNANCE

Corporate Governance Guidelines

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

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

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

Board Leadership Structure

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

Director Independence

It is the policy of the Board that a majority of the members of the Board qualify as independent directors. To assist it in making independence determinations, the Board adopted categorical standards of director independence, which are attached as [Annex A](#) to our Corporate Governance Guidelines. The categorical standards of director independence are consistent with the independence standards set forth in Section 303A.02 of the NYSE listing standards. In addition to the NYSE standards for director independence, the Board has adopted an additional categorical standard for director independence.

Table of Contents

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

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

Based on its independence review and after considering the transactions described above, the Board determined that each of the following current directors (which together constitute all of the members of the Board other than Mr. Brady) is independent: Mr. Alvarez; Mr. Berkowitz; Mr. Frank; Mr. Keil; Mr. Martin and Mr. Murphy.

Board Committees

The Board has the following four standing committees: the Governance Committee; the Audit Committee; the Compensation Committee; and the Executive Committee. Copies of the charters of each of the Governance Committee, the Audit Committee and the Compensation Committee setting forth the responsibilities of the committees can be found under the Investor Relations - Corporate Governance section of our website, located at www.joe.com. Printed copies of these charters will also be provided to any shareholder who requests them by contacting us at the following address: The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413, Attn: Corporate Secretary. We periodically review and revise the committee charters. The Board adopted revised Governance Committee, Audit Committee and Compensation Committee Charters on February 20, 2014.

A summary of the current composition of each committee, and the number of meetings held by each such committee in 2013, is set forth below.

Name	Executive	Governance and Nominating Chair	Compensation Member	Audit
Cesar L. Alvarez				
Bruce R. Berkowitz	Chair			
Park Brady				
Howard S. Frank	Member			Chair
Jeffrey C. Keil	Member			Member
Stanley Martin		Member	Chair	Member
Thomas P. Murphy Jr.		Member	Member	
<u>Meetings held in 2013:</u>	8	5	4	6

Board and Committee Meetings

The Board met 8 times in 2013. Each member of the Board attended at least 75% of the aggregate number of meetings of the Board and the committees on which he served in 2013.

Table of Contents

Non-management directors meet in executive session without management at each regularly scheduled Board meeting. Our Chairman of the Board presides during such sessions. Board members are expected to attend our annual meetings, either in person, by phone or by other remote communication. All of the current members of the Board who were serving as directors at the time of the 2013 Annual Meeting, other than Mr. Frank, were present at the 2013 Annual Meeting.

Audit Committee

Responsibilities

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

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

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

Independence and Financial Expertise

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

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

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

Table of Contents

Compensation Committee

Responsibilities

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

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

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

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

reviewing St. Joe's compensation policies and practices to determine if any risks arise from such policies and practices that are reasonably likely to have a material adverse effect on St. Joe;

reviewing and discussing the compensation and benefits of non-employee directors; and

reviewing and discussing with management our Compensation Discussion and Analysis for inclusion in our proxy statement, annual report or other applicable SEC filing.

The Compensation Committee may delegate any of its responsibilities, as it deems appropriate, to a subcommittee composed of one or more members except as otherwise provided in the Compensation Committee Charter. Information regarding the processes and procedures followed by the Compensation Committee in considering and determining executive compensation is provided below under the heading "Compensation Discussion and Analysis."

Independence

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

meets the independence requirements of the NYSE's corporate governance listing standards;

is a non-employee director pursuant to criteria established by the SEC;

is an outside director pursuant to the criteria established by the Internal Revenue Service and

is free of any relationship that, in the opinion of the Board, may interfere with his or her exercise of independent judgment as a Compensation Committee member.

Table of Contents

Use of Outside Advisors

The Compensation Committee has authority to select, retain, terminate, and approve the fees and other retention terms of counsel or other advisors, experts or compensation consultants, as it deems appropriate, in its sole discretion, to assist the Compensation Committee in fulfilling its responsibilities. The Compensation Committee did not engage any such outside advisors in 2013.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee was at any time during 2013 or at any other time an officer or employee of St. Joe. No executive officer of St. Joe serves as a member of (i) a board of directors or (ii) a compensation committee of any other entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

Governance and Nominating Committee

Responsibilities

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

assisting the Board by identifying individuals qualified to become members of the Board and recommending to the Board candidates to stand for election at the next annual meeting of shareholders; recommending committee assignments after consultation with the Chairman of the Board; assessing and reporting to the Board as to the independence of each director; monitoring significant developments in the law and practice of corporate governance and of the duties and responsibilities of directors of public companies, and taking a leadership role in shaping the corporate governance of St. Joe; approving related person transactions involving any Board member or any executive officer; leading the Board in its annual self-evaluation and the evaluation of each of the committees and management, including establishing criteria to be used in connection with such evaluations; and developing and making recommendations to the Board with respect to a set of corporate governance guidelines applicable to St. Joe.

Table of Contents

Independence

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

meets the independence requirements of the NYSE's corporate governance listing standards, as such requirements are interpreted by the Board in its business judgment; and is free of any relationship that, in the opinion of the Board, may interfere with his or her exercise of independent judgment as a Governance Committee member.

Director Candidates

The Governance Committee considers possible director nominee candidates from many sources, including management and shareholders. Detailed information regarding the procedures that our shareholders must follow to submit recommendations of director nominees, as well as the policies that the Board must follow to review such recommendations, can be found in Section 9 of Article II of our Bylaws, which are available under the Investor Relations - Corporate Governance section of our website, located at www.joe.com. The Governance Committee evaluates the suitability of potential candidates nominated by shareholders in the same manner as other candidates recommended to the Governance Committee. In identifying individuals to nominate for election to our Board, the Governance Committee, to the extent deemed relevant by the Governance Committee in its sole discretion, seeks candidates that, among other things, have:

proven strength of character, mature judgment, objectivity, intelligence and the highest personal and business ethics, integrity and values;
a reputation, both personal and professional, consistent with our image and reputation;
sufficient time and commitment to devote to carrying out the duties and responsibilities of Board membership;
an ability and willingness to serve on the Board for an extended period of time to develop knowledge about St. Joe's businesses;
financial knowledge and experience, including qualification as a financial expert or financially literate as defined by the SEC and NYSE; and
independence, as defined by the SEC and NYSE and a willingness to represent the best interests of all shareholders and observe the fiduciary duties that a director owes to the shareholders.

In addition, a director candidate must have, when considered with the collective experience of other Board members, appropriate qualifications and skills that have been developed through extensive business experience, including the following:

interpersonal and leadership skills;
a proven track record of excellence in their field of expertise; and

Table of Contents

significant business and professional expertise with high-level managerial experience in complex organizations, including large legal firms or accounting and finance, real estate, government, banking, educational or other comparable institutions.

Prior to the nomination of a director for re-election, the Governance Committee reviews the performance of each director whose term is expiring and determines whether that director should be nominated for election to an additional term. This determination is made following an assessment of the director's performance, including the following factors: the director's attendance at Board and applicable Board committee meetings; understanding of St. Joe's businesses; understanding of St. Joe's strategies; overall level of involvement; contributions to the Board; any change in the independence of the director and any change in status of the director.

Additionally, although we do not have a formal, written diversity policy, pursuant to the Governance Committee Charter, the Governance Committee seeks a diverse group of director candidates, including diversity with respect to age, gender, ethnic background and national origin. The Governance Committee seeks candidates who will combine a broad spectrum of backgrounds, experience, skills and expertise and who would make a significant contribution to the Board, St. Joe and our shareholders.

The Governance Committee identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to St. Joe's business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. If any member of the Board does not wish to continue in service or if the Governance Committee or the Board decides not to re-nominate a member for re-election, the Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above. Current members of the Governance Committee and Board are polled for suggestions as to individuals meeting the criteria of the Governance Committee. In addition, from time to time, the Governance Committee has engaged the services of executive search firms to assist the Governance Committee and the Board in identifying and evaluating potential director candidates. Pursuant to our Corporate Governance Guidelines, any nominee in an uncontested election who fails to receive a majority vote in any re-election that requires a majority vote must tender such director's resignation for consideration by the Board.

Executive Committee

The Executive Committee may exercise all the powers and authority of the Board in the management of the business and affairs of St. Joe, except that the Executive Committee may not:

approve or recommend to shareholders actions or proposals required to be approved by shareholders;
fill vacancies on the Board or any committee of the Board;

Table of Contents

adopt, amend or repeal our Bylaws;
authorize or approve the reacquisition of our common stock unless pursuant to a general formula or method specified by the Board; or
authorize or approve the issuance or sale of our common stock, except in certain circumstances.

Management Succession

Annually, the Board reviews and discusses a succession plan for the CEO as well as other senior management positions. To assist the Board, the CEO is required to provide the Board with an annual assessment of our senior managers and other persons considered potential successors to the CEO position and to other senior management positions. In addition, the CEO is required to prepare, on a continuing basis, a short-term succession plan that outlines a temporary delegation of authority to certain officers if any or all of the senior officers should unexpectedly become unable to perform their duties. The short term plan would be in effect until the Board had the opportunity to consider the situation and take action, when necessary.

Code of Business Conduct and Ethics/Related Person Transaction Policy

Our Board of Directors has adopted a Code of Business Conduct and Ethics, which we refer to as the Code, applicable to all our directors, officers and employees. Its purpose is to promote our commitment to standards for ethical business practices. The Code provides that it is our policy that our business be conducted in accordance with the highest legal and ethical standards. Our reputation for integrity is one of our most valuable assets, and each director, officer and employee is expected to contribute to the care and preservation of that asset. The Code addresses a number of issues, including conflicts of interest, corporate opportunities, use and protection of company assets, fair dealing, confidential information, insider trading and stock transactions, media and public inquiries, accounting matters, books and record keeping, working with governments and compliance with applicable laws, including antitrust and competition laws. Our directors review the Code annually to ensure that it appropriately addresses the business practices of St. Joe.

Our Governance Committee Charter provides that our Governance Committee must approve all related person transactions involving any Board member or any executive officer. Current SEC rules define transactions with related persons to include any transaction, arrangement or relationship (i) in which St. Joe is a participant, (ii) in which the amount involved exceeds \$120,000, and (iii) in which any executive officer, director, director nominee, beneficial owner of more than 5% of St. Joe's common stock, or any immediate family member of such persons has or will have a direct or indirect material interest. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests. All related person transactions will be disclosed in our applicable SEC filings as required under SEC rules.

Certain Relationships and Related Transactions

Except as set forth below, since January 1, 2013, we have not had any relationships or transactions with any of our executive officers, directors, beneficial owners of more than 5%

Table of Contents

of our common stock or any immediate family member of such persons that were required to be reported pursuant to Item 404(a) of Regulation S-K.

In April 2013, we engaged Fairholme to serve as our investment adviser. Mr. Berkowitz is the Founder, Managing Member and Chief Investment Officer of Fairholme, and the President and a director of the Fairholme Fund. The Fairholme Fund owned approximately 27.1% of our common stock as of the record date. Pursuant to the terms of the Investment Management Agreement, as amended, Fairholme has agreed to supervise and direct the investments of an investment account established by us in accordance with the investment guidelines and restrictions approved by our Investment Committee, which were set forth in the agreement. During 2013, the investment guidelines required that, as of the date of any investment (i) at least 50% of the investment account will be held in cash or cash equivalents, as defined in the agreement as amended, (ii) no more than 10% of the investment account will be invested in securities of any one issuer (excluding the U.S. Government) and that the investment account could not be invested in equity securities. Effective February 21, 2014, we entered into an Amendment to the Investment Management Agreement pursuant to which we modified the investment guidelines and restrictions described in the Amendment. As amended, the investment guidelines require that, as of the date of any investment, (i) at least 50% of the investment account will be held in cash or investment grade cash equivalents, as defined in the amendment, (ii) no more than 10% of the investment account will be invested in securities of any one issuer (excluding the U.S. Government) and (iii) the investment account may not be invested in common stock securities.

Fairholme will receive no compensation for their services as our investment advisor.

Our Code of Business Conduct and Ethics, which was most recently revised in June of 2012, is available to view under the Investor Relations - Corporate Governance section of our website, located at www.joe.com. We intend to post on our website information regarding any amendment to the Code of Business Conduct and Ethics or any waiver granted under the Code of Business Conduct and Ethics covered by Item 5.05 of Form 8-K.

Board Role in Management of Risk

The Board is actively involved in the oversight and management of risks that could affect St. Joe. This oversight and management is conducted primarily through the Board's Committees, but the full Board has retained responsibility for general oversight of risks. The Audit Committee is primarily responsible for overseeing the risk management and risk assessment function. In carrying out its responsibilities, the Audit Committee reviews our policies and processes with respect to risk assessment and risk management, and discusses our major financial risk exposures and the steps management has taken to monitor and control such exposures. A member of management is assigned to monitor and manage each identified risk. This process is facilitated by our risk manager, who reports directly to the Chair of the Audit Committee, with day-to-day administrative oversight by the Chief Financial Officer. The other Committees of the Board consider the risks within their areas of responsibility. The Board satisfies its oversight responsibility through the receipt and review of full reports by

Table of Contents

each Committee chair regarding the Committee's considerations and actions, as well as through the receipt and review of regular reports directly from officers responsible for oversight of particular risks within St. Joe.

Director Compensation

Annual Retainer. For 2013, our Board approved the annual retainer fees set forth below, payable in cash or common stock at the election of the director. We do not pay meeting fees.

\$75,000 for each non-employee director;
an additional \$25,000 for the Chairman of the Board;
an additional \$10,000 for the Chair of the Governance and Nominating Committee;
an additional \$12,500 for the Chair of the Compensation Committee; and
an additional \$25,000 for the Chair of the Audit Committee.

To the extent that a director elects to receive common stock, the director will receive common stock with a value of 1.25 times the cash retainer foregone. By way of illustration, if a director elects to receive his entire \$75,000 annual retainer in common stock, the director will receive common stock with an aggregate value equal to \$93,750, based on the closing price of our common stock on the date of issuance. To the extent paid in cash, annual retainer fees are payable quarterly in advance.

Messrs. Berkowitz and Frank waived their rights to receive the annual retainer or committee chair fees for their service on the Board in 2013 and Mr. Alvarez waived his right to receive the annual retainer and committee chair fees for his service on the Board for the first and second quarter of 2013.

Annual Equity Grant. Following each annual meeting of our shareholders, the Compensation Committee grants an equity compensation award to each non-employee director. In 2013, the Compensation Committee granted to each non-employee director an equity grant with an aggregate fair market value of \$50,000, based on the closing price of our common stock on the grant date.

Messrs. Alvarez, Berkowitz and Frank waived their rights to receive annual equity grants for their service on the Board in 2013.

Expense Reimbursement. We reimburse directors for travel expenses related to attending Board and committee meetings. In certain circumstances, we will pay the costs for directors to fly on a private airplane to attend Board and committee meetings or for other company business. We may also invite director spouses to accompany directors to some of our Board meetings, for which we pay or reimburse travel expenses. In addition, we reimburse directors for seminar fees and travel expenses associated with attending one approved educational seminar each year.

Charitable Matching Program. We have chosen to support the charitable and civic activities of our directors. We will match each director's cash contributions to charities in

Table of Contents

which he serves as an officer or trustee up to an aggregate annual amount of \$5,000 per director. We will also contribute to events at which directors are recognized for their services to charitable or civic causes.

2013 Director Compensation

The following table sets forth the compensation paid in 2013 to each non-employee director.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Stock Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Cesar L. Alvarez ⁽³⁾	42,500			42,500
Bruce R. Berkowitz ⁽⁴⁾				
Governor Charles J. Crist ⁽⁵⁾	32,933		150,000 ⁽⁶⁾	182,933
Howard S. Frank ⁽⁴⁾				
Jeffrey C. Keil	75,000	50,016		125,016
Stanley Martin	81,250	50,016		131,266
Thomas P. Murphy, Jr.	37,500	143,758		181,258

(1) The amounts shown include the annual retainer and committee chair fees for all directors. For Mr. Alvarez, the amount represents annual retainer and committee chair fees for the third and fourth quarter of 2013. For Mr. Crist, the amount represents annual retainer and committee chair fees for the first quarter and for the second quarter of 2013 on a pro rata basis. For Mr. Murphy, the amount represents annual retainer and committee chair fees for the first quarter and for the second quarter of 2013.

(2) Represents the grant date fair value of the Annual Equity Grant of 2,441 shares of common stock awarded to Messrs. Keil, Martin and Murphy on May 16, 2013, based on a closing market price of our common stock of \$20.49 on May 16, 2013. In addition, Mr. Murphy elected to receive his annual retainer and committee fees for the period from May 2013 through May 2014 in stock. As a result, we awarded him an additional 4,575 shares of common stock on May 16, 2013. Shares are fully vested upon award.

The amounts shown represent the grant date fair value under FASB ASC Topic 718. Please refer to Note 16 of our Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC on February 28, 2014, which we refer to as the 2014 Annual Report, for the assumptions utilized in calculating fair value. As of December 31, 2013, none of our Directors held unvested restricted stock units or unexercised options.

(3) Mr. Alvarez waived his right to receive annual retainer and committee chair fees through the second quarter of 2013. Mr. Alvarez waived his right to receive all equity compensation for his service on the Board in 2013.

(4) Messrs. Berkowitz and Frank waived their rights to receive any compensation for their service on the Board in 2013.

(5) Governor Crist served on the Board until May 2013.

(6) Represents a consulting fee paid to Governor Crist in connection with a consulting agreement entered into with Governor Crist after he stepped down from the Board of Directors. Pursuant to the terms of the consulting agreement, Governor Crist provided assistance with litigation matters including the Deepwater Horizon oil spill and advice and assistance with strategic initiatives such as asset disposition including St Joe's timberland holdings and various environmental matters.

Table of Contents**IV. PROPOSAL 2 - RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee of the Board of Directors has appointed KPMG to continue to serve as our independent registered public accounting firm for the 2014 fiscal year. KPMG has served as our independent registered public accounting firm since 1990. In the event our shareholders do not ratify the appointment of KPMG, the appointment may be reconsidered by the Audit Committee. Ratification of the appointment of KPMG to serve as our independent registered public accounting firm for the 2014 fiscal year will in no way limit the Audit Committee's authority to terminate or otherwise change the engagement of KPMG for the 2014 fiscal year.

We expect a representative of KPMG to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

In connection with the audit of our 2013 financial statements and internal control over financial reporting, we entered into an agreement with KPMG which sets forth the terms by which KPMG performed audit services for us.

Fees Paid to KPMG

We were billed for professional services provided with respect to fiscal years 2012 and 2013 by KPMG in the amounts set forth in the following table.

Services Provided	2012	2013
Audit Fees ⁽¹⁾	\$ 767,705	\$ 819,460
Audit-Related Fees	-	-
Tax Fees ⁽²⁾	42,000	4,975
All Other Fees	-	-
Total	\$ 809,705	\$ 824,435

(1) These professional services included fees associated with (i) the audit of our annual financial statements (Form 10-K); (ii) reviews of our quarterly financial statements (Forms 10-Q); and (iii) the audit of St. Joe's internal control over financial reporting and attestation services in connection with St. Joe's compliance with Section 404 of the Sarbanes-Oxley Act of 2002. These amounts do not include reimbursement of expenses equaling \$130,000 for 2012 and \$104,500 for 2013.

(2) These professional services include fees associated with (i) compliance for preparation of tax returns, (ii) assistance with tax planning strategies and (iii) tax examination assistance.

Recommendation of the Board of Directors

The Board of Directors recommends a vote **FOR** ratification of the appointment of KPMG as our independent registered public accounting firm for the 2014 fiscal year.

Pre-Approval Policies and Procedures for Audit and Permitted Non-Audit Services

The Audit Committee's Charter provides that the Audit Committee has the sole authority to appoint, retain, compensate, evaluate, oversee and terminate the work of our independent auditors (including the authority to resolve disagreements between management and the

Table of Contents

independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. Included within this authority of the Audit Committee is the sole authority to pre-approve all auditing services, internal control-related audit services and permitted non-audit services to be provided by the independent auditors. The Audit Committee may delegate to its Chair the authority to pre-approve certain auditing services and non-audit services, provided that the Chair shall present such approvals at the next regularly scheduled Audit Committee meeting.

In connection with making any pre-approval decisions, the Audit Committee must consider whether the provision of such permitted non-audit services by KPMG is consistent with maintaining KPMG's status as our independent auditors.

Consistent with these policies and procedures, the Audit Committee approved all of the services rendered by KPMG during fiscal year 2013, as described above.

Audit Committee Report

The Audit Committee (which we refer to as we, us or the Committee for purposes of this Audit Committee Report) oversees the financial reporting process of St. Joe on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including internal control over financial reporting and disclosure controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. Further discussion of the membership of the Audit Committee and the responsibilities performed by the Committee pursuant to the Audit Committee Charter is set forth above on pages 10 through 11.

In the performance of its oversight function, the Committee has reviewed and discussed the audited financial statements with management. We discussed with KPMG, St. Joe's independent registered public accounting firm, its audit of St. Joe's financial statements and internal control over financial reporting. We discussed with KPMG and St. Joe's internal auditor the overall scope and plans for their respective audits. We have reviewed and discussed with management its process for preparing its report on its assessment of our internal control over financial reporting, and at regular intervals we received updates on the status of this process and actions taken by management to respond to issues and deficiencies identified.

We have discussed with KPMG the matters required to be discussed by the statement on Auditing Standard No. 16 (AS 16), Communications with Audit Committees, and related amendments to PCAOB standards. We also received the written disclosures and the letter from KPMG regarding its independence as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and discussed with KPMG its independence. We concluded that KPMG's independence was not compromised by the non-audit services provided by KPMG, the majority of which consisted of tax services.

Table of Contents

Based on the reviews and discussions referred to above, we recommended to the Board (and the Board subsequently approved our recommendation) that St. Joe's audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 for filing with the SEC. We also evaluated and selected KPMG as St. Joe's independent auditors for 2014, which the shareholders will be asked to ratify at the 2014 Annual Meeting of Shareholders.

Audit Committee:

Howard S. Frank, Chair

Jeffrey C. Keil

Stanley Martin

March 26, 2014

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended (which we refer to as the Securities Act) or the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act) that might incorporate future filings, including this proxy statement, in whole or in part, the Audit Committee Report above and the Compensation Committee Report that follows shall not be deemed filed or incorporated by reference into any of our filings under the Securities Act or Exchange Act.

Table of Contents

V. EXECUTIVE OFFICERS

Set forth below is certain information relating to our current executive officers other than Mr. Brady. Biographical information with respect to Mr. Brady is set forth above under Proposal 1 Election of Directors.

Patrick D. Bienvenue, 59, has served as our Executive Vice President since September 2011. Prior to joining us, Mr. Bienvenue spent 15 years at Leucadia National Corporation, with his final position as President of Leucadia Development Corporation and President of Leucadia Financial Corporation. Prior to joining Leucadia, Mr. Bienvenue was President of Torwest, Inc., where he was responsible for developing the Windsor Community in Vero Beach, Florida. Prior to joining Torwest, Mr. Bienvenue was an executive with Canadian Pacific Limited's Marathon Realty Limited in Toronto, as well as the Trizec Corporation in Montreal and Stamford, Connecticut. Mr. Bienvenue has been a member of the board of directors of HomeFed Corporation since 1998.

Kenneth M. Borick, 53, has served as our Senior Vice President, General Counsel and Corporate Secretary since February 2012. From September 2000 until February 2012, Mr. Borick held various positions of increasing responsibility within St. Joe, primarily in the legal department. Mr. Borick has over twenty years of legal experience, which began with the private practice of law in South Carolina. Mr. Borick then spent seven years with The Walt Disney Company prior to joining us in 2000.

David Harrelson, 58, joined us in 1976 and has served as our Senior Vice President, Timberland since February 2012. Previously, Mr. Harrelson served as our Vice President, Timberland from 2006 until February 2012. Mr. Harrelson is responsible for the timber resources and land management on non-entitled property. Since joining St. Joe as an entry-level forester, Mr. Harrelson has held various positions of increasing responsibility within the forestry division.

Marek Bakun, 42, has served as our Senior Vice President and Chief Financial Officer since October 2013. From February 2011 until October 2013, Mr. Bakun served as Chief Financial Officer and Treasurer of Orleans Homebuilders, Inc., in Bensalem, Pennsylvania. From October 2010 to February 2011, Mr. Bakun served in a senior finance position for MDC Holdings, Inc., a homebuilder which builds under the name Richmond American Homes, where he provided financial analysis in connection with systems implementation in two of the company's U.S. markets and provided financial analysis on other initiatives. From April 2008 to October 2010, Mr. Bakun served as Chief Financial Officer and Treasurer for Mattamy Homes Corporation with responsibility for financial controls in its five U.S. markets. From 1999 to April 2008, Mr. Bakun served in positions of increasing responsibility for Morrison Homes, which merged into Taylor Morrison Homes during his tenure, and was appointed Vice President and Chief Financial Officer in August 2006.

Table of Contents

VI. COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis is designed to provide our shareholders with a clear understanding of our compensation philosophy and objectives, the compensation-setting process, and the 2013 compensation of our Named Executive Officers (identified below), who we sometimes refer to as our NEOs. As discussed in Proposal 3 on page 32, we are conducting our annual Say on Pay vote that requests your approval of the compensation of our NEOs as described in this section and in the tables and accompanying narrative contained in Executive Compensation. To assist you with this vote, you should review our compensation philosophies, the design of our executive compensation programs and why we believe that our current compensation contributed to our financial performance in 2013 and will contribute to our financial performance in the future.

Named Executive Officers

For 2013, our Named Executive Officers were:

Park Brady, our Chief Executive Officer;

Marek Bakun, our Chief Financial Officer;

Patrick Bienvenue, our Executive Vice-President;

Kenneth Borick, our SVP, General Counsel and Corporate Secretary; and

David Harrelson, our SVP, Timberland.

Thomas J. Hoyer, our former SVP and CFO through October 7, 2013 and Louis Dubin, our former Executive Vice-President through April 25, 2013 are also deemed to be Named Executive Officers.

Compensation Setting Process

Role of Compensation Committee

Pursuant to its Charter, the Compensation Committee is responsible for, among other things, establishing our general compensation philosophy and overseeing the development and implementation of our compensation and benefits program. The Compensation Committee is also responsible for reviewing the performance of our CEO and other executive officers and, together with the other independent members of the Board, setting the compensation of the CEO and such other executive officers.

Role of Management

Our management develops written background and supporting materials for review at Compensation Committee meetings, attends Compensation Committee meetings at the committee's request, and provides information regarding, and makes recommendations about,

Table of Contents

designs for and, if warranted, changes to our executive compensation programs. Our CEO generally attends Compensation Committee meetings, but will not participate in any decisions relating to his own compensation. CEO performance and compensation are discussed by the Compensation Committee in executive session. Our CEO, without the presence of any other members of senior management, actively participates in the performance and compensation discussions for our senior executives, including making recommendations to the Compensation Committee as to the amount and form of compensation.

Elements of Compensation

Our 2013 executive compensation program consisted of base salary and discretionary bonuses payable based on the Compensation Committee's discretionary evaluation of our overall financial performance and the contribution of the individual Named Executive Officer to such performance. In addition, our Named Executive Officers receive the same benefits and perquisites that are available to all employees. As discussed above, the Compensation Committee decided not to adopt an annual performance-based bonus plan for 2013 and has suspended the use of a formal long-term equity incentive plan. The Compensation Committee does not have a formal policy relating to the allocation of total compensation among the various components.

Base Salary

Objective: The Compensation Committee believes that base salary should provide executives certainty that they will receive competitive compensation.

Performance Considerations: Base salary is designed to adequately compensate and reward the executive on a day-to-day basis for the time spent and the services the executive performs. When setting and adjusting individual executive salary levels, the Compensation Committee considers the executive officer's responsibilities, experience, potential, individual performance and the Compensation Committee's evaluation of its competitive market position. The Compensation Committee also considers other factors such as demand in the labor market for the particular executive and succession planning. These factors are not weighted. The Compensation Committee bases salary adjustments on the overall assessment of all of these factors. The Compensation Committee does not target base pay at any particular level versus a peer group, but uses its judgment based on all available information (including, from time to time, market and survey data compiled by compensation consultants) to set a base salary that, when combined with all other compensation elements, results in a competitive pay package.

Committee Actions Taken in 2013: In connection with its approval of the salaries of our executive officers, the Compensation Committee sought to set salaries that would be sufficiently competitive to attract and retain talent, but reflective of our financial position and its need to maintain liquidity. The salaries approved for Messrs. Brady, Bienvenue, Hoyer and Bakun as part of their employment agreements were a result of negotiations with each executive and, based on our Committee's industry and general knowledge, an evaluation of

Table of Contents

the amount that was necessary to attract each of the individuals. In 2013, the Compensation Committee approved increases in the base salaries of Mr. Borick to \$242,000 and Mr. Harrelson to \$190,000; no other NEO receive a base salary increase.

Discretionary Bonuses

Objective: The Compensation Committee awards discretionary bonuses to our Named Executive Officers to reward such officers for their individual contributions to our overall financial performance in a given year. We believe that making such compensation at risk provides significant motivation for increasing company and individual performance.

Performance Considerations: Discretionary bonuses (if any) will be paid based on the Compensation Committee's discretionary evaluation of our overall financial performance and the contribution of a particular named executive officer to such performance. The amount of such bonuses is determined by the Compensation Committee, in its sole discretion, and bonuses are typically paid in cash. In determining individual bonus levels, the Compensation Committee may consider, among other things, the executive officer's responsibilities, experience, potential and individual performance.

Committee Actions Taken with Respect to 2013: In February 2014, the Compensation Committee in consultation with the independent directors of the Board requested that the independent directors of the Board approve the following discretionary cash bonus awards for 2013 performance: \$800,000 for Mr. Brady; \$500,000 for Mr. Bienvenue; \$132,466 for Mr. Bakun, \$196,000 for Mr. Borick and \$250,000 for Mr. Harrelson. In determining the bonuses to be awarded to each Named Executive Officer, factors considered, among other things, were the target bonus amounts set in each Named Executive Officer's employment agreement, our overall financial performance and the contribution of the individual Named Executive Officer to such performance. In addition, in determining the amount of the award the Compensation Committee took into consideration the exemplary performance of the Named Executive Officers in successfully negotiating, conducting due diligence and preparing for the closing of the AgReserves transaction. The independent directors of the Board approved the awards.

Employment Agreements

St. Joe has entered into employment agreements with each of Messrs. Brady, Bienvenue and Bakun. We also had an employment agreement with Mr. Hoyer who was our CFO for a portion of 2013. Upon his termination with St. Joe, we paid severance to Mr. Hoyer pursuant to the terms of his employment agreement. In 2013, St. Joe also entered into a separation agreement with Mr. Dubin in connection with his resignation as Executive Vice-President. Summaries of our employment agreements with Messrs. Brady, Bienvenue, Bakun and Hoyer and the separation agreement with Mr. Dubin are set forth below.

Employment Agreements with Messrs. Brady and Bienvenue

We have entered into one year employment agreements with each of Messrs. Brady and Bienvenue. Pursuant to the terms of the agreements, on the six month anniversary of the date

Table of Contents

of the agreement (the Renewal Date), each employment agreement will be automatically extended for one year, unless the agreement is terminated at least 30 days prior to the applicable Renewal Date. The employment agreements provide for an annual base salary of \$750,000 for Mr. Brady and \$400,000 for Mr. Bienvenue, which may be increased, but not decreased, by the Compensation Committee. For 2013, Messrs. Brady s and Bienvenue s base salaries were \$750,000 and \$500,000, respectively. Mr. Bienvenue s employment agreement also sets forth a minimum target award level of 100% of annual base salary that he will have the opportunity to achieve, commencing in 2012.

Each employment agreement provides that, upon our termination of the relevant executive s employment without cause or the executive s resignation for good reason, Mr. Brady or Mr. Bienvenue, as applicable, will be entitled to receive (i) ratably over a 12 month period after the termination date, an amount equal to his base salary as in effect on the termination date, and (ii) a monthly amount equal to the employer portion of the applicable COBRA premium for a period of 18 months. The employment agreement provides for noncompetition, confidentiality, non-solicitation and non-disparagement covenants. Each of Messrs. Brady s and Bienvenue s severance payment, if any, would be subject to his execution of a separation and release agreement.

Employment Agreement with Mr. Bakun

In connection with his appointment as CFO, St. Joe entered into an employment agreement with Mr. Bakun to serve as CFO for a period of one year, commencing on October 7, 2013. On April 1, 2014 and on each successive one year anniversary from that date, the employment agreement will automatically renew for an additional year, unless it is terminated at least 30 days prior to the applicable renewal date.

Pursuant to the employment agreement, Mr. Bakun will receive an annual base salary of \$350,000, which may be increased by the Compensation Committee. Mr. Bakun is eligible for an annual cash bonus with a target award equal to 100% of his base salary rate. Pursuant to the employment agreement the target bonus was guaranteed for 2013 only and prorated based upon his first date of employment.

The employment agreement provides that, upon termination of Mr. Bakun s employment following his resignation for good cause, for a reason other than for cause or due to his death or disability, Mr. Bakun is entitled to receive (i) an amount equal to his annual base salary as of the termination date, paid ratably over a 12 month period following such date and (ii) a monthly amount equal to the employer portion of the applicable COBRA premium for the level of coverage that Mr. Bakun has as of the termination date, which will be paid for a period of 18 months. The employment agreement provides for noncompetition, confidentiality, non-solicitation and non-disparagement covenants. Mr. Bakun s severance payment is conditioned upon his execution of a separation and release agreement. Mr. Bakun will also receive \$100,000 for relocation expenses.

Table of Contents

Separation Agreements with Messrs. Hoyer and Dubin

On March 25, 2013, we and Mr. Hoyer agreed that Mr. Hoyer's employment with us would terminate on a future agreed upon date upon 60 days prior notice provided by either party. Upon Mr. Hoyer's departure on October 25, 2013, he received the severance amounts due under his employment agreement, agreed to certain confidentiality and non-disparagement provisions and executed a full release.

On April 24, 2013, we and Mr. Dubin entered into a Separation Agreement, Release and Waiver pursuant to which we agreed to pay (1) \$275,000 in a lump sum payment and (2) Mr. Dubin's portion of any payments required under Consolidated Omnibus Budget Reconciliation Act (COBRA) through October 31, 2013. In addition, we permitted Mr. Dubin to continue his membership in our beach and golf clubs through December 31, 2013. In exchange Mr. Dubin agreed to certain confidentiality and non-disparagement provisions and executed a full release.

Retirement Plans

We have traditionally provided retirement benefits to our executives through the Pension Plan and a 401(k) retirement plan. In November 2012, the Compensation Committee approved a plan to terminate our Pension Plan, effective March 27, 2013. On that date, the plan was frozen until such time as we have received all regulatory approvals required for termination of the plan. Once all such approvals are obtained, the Pension Plan's assets will be distributed to the plan participants and used to pay excise taxes, with any assets remaining after making such payments to revert to St. Joe.

Health and Welfare Benefits and Perquisites

We have traditionally provided executives with a variety of health and welfare benefits and perquisites, as reflected in the All Other Compensation column in the Summary Compensation Table on page 26 and more fully described in the footnote to that column. Commencing in 2013, the only perquisites that our executive officers are currently entitled to receive, other than those that are available to all employees, are reimbursement for annual physical exams and membership in our beach and golf clubs (the latter of which has no incremental cost to us).

Tax Deductibility

Section 162(m) of the Internal Revenue Code of 1986, as amended, precludes public companies from taking a federal income tax deduction for compensation in excess of \$1 million paid to individual named executive officers unless certain specific and detailed criteria are met, including the requirement that compensation be performance based and under a plan approved by our shareholders. The Compensation Committee believes that preserving its flexibility in awarding compensation is in our best interests and that of our shareholders and may determine, in light of all applicable circumstances, to award compensation in a manner that will not preserve the deductibility of such compensation under Section 162(m). During 2013, the Compensation Committee approved executive

Table of Contents

compensation that was not tax deductible and intends to continue to compensate our executive officers in a manner consistent with the best interests of St. Joe and its shareholders.

Consideration of Shareholder Advisory Vote

As part of its compensation setting process, the Compensation Committee also considers the results of the prior-year's shareholder advisory vote on our executive compensation to provide useful feedback regarding whether shareholders believe that the Compensation Committee is achieving its goal of designing an executive compensation program that promotes the best interests of St Joe and its shareholders by providing its executives with the appropriate compensation and meaningful incentives. In 2013, the Compensation Committee took into consideration that approximately 97% of the votes cast on the shareholder advisory vote were voted in favor of our executive compensation in its decision to maintain the current compensation program and philosophy. The Compensation Committee intends to annually review the results of the advisory vote and will be cognizant of this feedback as it completes its annual review of each pay element and the total compensation packages for our NEOs.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on those reviews and discussions, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement for filing with the Securities and Exchange Commission and incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Compensation Committee

Stanley Martin, Chair

Cesar L. Alvarez

Thomas P. Murphy, Jr.

March 26, 2014

Table of Contents**VII. EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth the compensation earned by each of our named executive officers, or NEOs, for 2013, 2012 and 2011. In accordance with applicable SEC rules, we are providing compensation information for named executive officers only for years in which they qualified as named executive officers.

2013 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽¹⁾	All Other Compensation (\$) ⁽²⁾	Total (\$)
Park Brady Chief Executive Officer	2013	750,000	800,000 ⁽³⁾	12,273	956	1,563,230
	2012	750,000	750,000	72,026	2,191	1,574,217
	2011	571,154	576,008 ⁽⁴⁾	2,000	10,673	1,159,835
Marek Bakun SVP and Chief Financial Officer	2013	71,346	132,466 ⁽³⁾		100,114	303,926
	2012					
	2011					
Thomas Hoyer Former SVP and Chief Financial Officer	2013	270,769			321,245	592,014
	2012	234,462	130,000		75,405	439,867
Patrick Bienvenue EVP	2013	500,000	500,000 ⁽³⁾	7,452	1,127	1,008,580
	2012	457,692	500,000	57,656	486	1,015,834
	2011	112,308	66,849		50,150	229,307
Kenneth Borick SVP, General Counsel and Corporate Secretary	2013	241,539	196,000 ⁽³⁾	(39,972)	392	397,959
	2012	229,235	75,000	145,599	392	450,226
David Harrelson SVP, Timberland	2013	180,769	250,000 ⁽³⁾	(30,359)	2,572	402,983
Louis Dubin Former EVP	2013	190,385			275,502	465,887
	2012	291,923	307,400		100,284	699,607

(1)

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The amounts shown represent the change in present values of the Pension Plan benefits. St. Joe discontinued its nonqualified deferred capital accumulation plan effective December 30, 2011 and froze the Pension Plan, effective March 27, 2013.

The changes in pension values shown reflect the changes in the present value of pension benefits from one year end to the next. Factors affecting the changes in present values include the impact of the value of benefits earned in the current year, the growth in the value of benefits earned in prior years due to the passage of time and the impact of changes in assumptions. This present value calculation is based on actuarial assumptions and discounting and is not a direct reflection of the change in each participant's actual account balance in the Pension Plan during the year.

Table of Contents

- (2) The following table describes each component of the amounts shown in the All Other Compensation column for 2013.

	Term Life Insurance Premiums (\$)	Annual Physical Exam (\$)	Relocation Benefits (\$)	Severance (\$)	Other	Total (\$)
Park Brady	486	470				956
Marek Bakun	114		100,000			100,114
Thomas Hoyer	405	840		320,000		321,245
Patrick Bienvenue	486	641				1,127
Kenneth Borick	392					392
David Harrelson	288				2,284	2,572
Louis Dubin	162	340		275,000		275,502

In addition, our Named Executive Officers are provided membership in our beach and golf clubs (the latter of which has no incremental cost to us).

- (3) Reflects the amount of cash bonus paid to the named executive officer on March 7, 2014 with respect to the fiscal year ended December 31, 2013.

- (4) Reflects the market value of 36,023 shares of common stock received by Mr. Brady, at his election, in lieu of his 2011 discretionary cash bonus.

Outstanding Equity Awards at December 31, 2013

The following table provides information on the holdings of restricted stock and stock options by the named executive officers at December 31, 2013. Each equity grant is shown separately for each named executive.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Park Brady						
Marek Bakun						
Thomas Hoyer						
Patrick Bienvenue						
Kenneth Borick	2,595		54.05	2/12/17		
David Harrelson	1,446		54.05	2/12/17		
Louis Dubin						

Table of Contents**Option Exercises and Stock Vested in 2013**

The following table sets forth certain information regarding exercises of stock options and the vesting of restricted stock held by our named executive officers during the year ended December 31, 2013:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ⁽¹⁾ (\$)
Park Brady				
Marek Bakun				
Thomas Hoyer				
Patrick Bienvenue				
Kenneth Borick			399	9,145
David Harrelson			183	4,194
Louis Dubin				

(1) The value realized was calculated by multiplying the number of shares of restricted stock vested by the closing price of our common stock on the vesting date. The amounts shown are before the payment of any applicable withholding taxes.

Pension Benefits

The table below sets forth information regarding the pension benefits for the named executive officers under our Pension Plan.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$) ⁽¹⁾	Payments During Last Fiscal Year (\$)
Park Brady	Pension Plan	2.00	84,299	
Marek Bakun ⁽²⁾	Pension Plan			
Thomas Hoyer ⁽²⁾	Pension Plan			
Patrick Bienvenue	Pension Plan	1.58	65,108	
Kenneth Borick	Pension Plan	12.58	483,623	
David Harrelson	Pension Plan	36.33	885,954	
Louis Dubin ⁽²⁾	Pension Plan			

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(1) The amounts shown in this column represent the actuarial present value of each named executive's accumulated benefit under our pension plan as of December 31, 2013. The assumptions used to calculate the present values include a discount rate of 4.37%; future interest crediting rate of 4.0%; lump sum form of payment; and a normal retirement age of 65. Turnover, disability, future salary increases, pre-retirement mortality and increases in IRC 401(a)(17) compensation limits were ignored for calculation purposes.

(2) Based on our decision to freeze our Pension Plan pending its termination, Messrs. Bakun, Hoyer or Dubin were not eligible to participate in the Pension Plan. In November 2012, the Compensation Committee approved a plan to terminate the Pension Plan, effective March 27, 2013. On that date, the plan was frozen until we receive all regulatory approvals required for termination. Once all such approvals are obtained, the Pension Plan's assets will be distributed to the plan participants and used to pay excise taxes, with any assets remaining after making such payments to revert to us.

Prior to its termination, the Pension Plan provided retirement benefits for our employees, including our named executive officers. The Pension Plan was a fully-funded, cash balance

Table of Contents

defined-benefit plan covering all of our employees who had attained age 21 and completed one year of service during which they had completed at least 1,000 hours of service. Each year, all active participants' accounts were credited with a percentage (11%-15%) of the participant's compensation, based on the participant's age at the beginning of the year. The IRS, however, limited the compensation eligible for crediting under the Pension Plan to \$255,000 for 2013. Interest is credited to the participant's beginning year balance. For March 1 to March 27, 2013, the percentage used to calculate the annual interest credit is equal to the rate on 30-year Treasury Bonds (constant Maturities) for September 30, 2012 (2.88%). The rate in effect after March 27, 2013 is the average of the rates in effect for the five years preceding the plan termination (2008-2012), or 4.04%.

A participant's compensation for purposes of calculating our contributions to the Pension Plan included his or her gross base salary (including any elective deferrals), commissions, and bonuses which are reported on IRS Form W-2. Compensation does not include any amounts processed within pay periods which end 31 days or more after termination of employment, sign-on bonuses, referral bonuses, commissions on the sale of a residence, severance pay, payments made after the death of an employee, recoverable draws, distributions from any qualified or nonqualified retirement plan, and gratuities.

A participant would vest in his or her Pension Plan account upon the completion of three years of service or upon reaching the plan's normal retirement age (either age 65 or the age of the participant upon his or her third anniversary of employment, whichever is earlier). A participant's Pension Plan account would fully vest in the event of death. At December 31, 2013, all of the participating NEOs were 100% vested in their Pension Plan accounts.

In the event of a participant's retirement (whether early or normal retirement) or any other termination of employment (including resignation, involuntary termination, disability, or otherwise), the participant would be entitled to receive his or her vested account balance in the plan. Vested benefits are payable at or after the termination event (including retirement) and are not reduced by social security or other benefits received by the participant. Pension benefits may be paid in a lump sum or in installments through an annuity.

The pension benefits table above provides an actuarial estimate of each participating NEO's benefit under the Pension Plan based on a projected retirement age of 65 and a discount to present value. Because of the cash balance nature of our Pension Plan, a better way to understand each NEO's possible benefit upon termination of employment, including retirement, is to refer to each executive's account balance in the plan. As mentioned above, at December 31, 2013 each participating NEO was 100% vested in his or her pension plan account, and would have been entitled to payment of the full account balance after retirement or any other termination of employment. These amounts are expected to be distributed to the NEOs following the receipt of all regulatory approvals required to effectuate the termination of the Pension Plan.

Table of Contents

The following table shows each named executive's account balance in the Pension Plan at December 31, 2013:

Name	Pension Plan Account Balance at December 31, 2013 (\$)	Vested Percentage of Pension Plan Account Balance
Park Brady	84,299	100%
Marek Bakun		
Thomas Hoyer		
Patrick Bienvenue	66,510	100%
Kenneth Borick	504,679	100%
David Harrelson	908,255	100%
Louis Dubin		

Nonqualified Deferred Compensation in 2013

We terminated our former nonqualified deferred capital accumulation plan effective December 30, 2011. We currently do not have a nonqualified deferred compensation program available to our named executive officers.

Potential Payments Upon Termination or Change in Control

As discussed in the Compensation Discussion and Analysis under *Employment Agreements* on page 23, we have entered into employment agreements with Messrs. Brady, Bienvenue and Bakun that provide for certain payments and other benefits if employment with us is terminated without cause or by the executive for Good Reason. Upon a termination by us without cause or by the executive for Good Reason, the executive is entitled to receive

salary continuation for a period of 12 months from the termination date and
payments equal to our portion of the cost of continued health and welfare benefits for an 18-month period
from the termination date.

The employment agreements do not provide for any additional benefits if such termination occurs in connection with a change in control. In addition, the employment agreements do not provide any gross-up for excise taxes. Instead, the employment agreements provide that any amounts that would have been payable as a severance payment will be carved-back, as necessary, to avoid the payment of any excise taxes. Additionally, the employment agreements do not provide for any additional benefits in the event of death or termination due to disability.

The following table shows the termination payments that Messrs. Brady, Bakun and Bienvenue would receive pursuant to their employment agreements in connection with their termination without cause or by the executive for good reason. These amounts have been

Table of Contents

quantified as if such termination events occurred on December 31, 2013. Additionally, the table below shows the termination payments that Messrs. Hoyer and Dubin received pursuant to our separation agreements with them.

Name and Type of Payment/Benefit	Payments Upon Termination Without Cause ⁽¹⁾ or for Good Reason ⁽²⁾ (\$)	
Park Brady		
Salary	\$	750,000
Continuation of Benefits ⁽³⁾	\$	20,545
Total Termination Payments/Benefits	\$	770,545
Marek Bakun		
Salary	\$	350,000
Continuation of Benefits ⁽³⁾	\$	20,545
Total Termination Payments/Benefits	\$	370,545
Patrick Bienvenue		
Salary	\$	500,000
Continuation of Benefits ⁽³⁾	\$	20,545
Total Termination Payments/Benefits	\$	520,545
Thomas Hoyer⁽⁴⁾		
Salary	\$	320,000
Continuation of Benefits ⁽³⁾	\$	20,408
Total Termination Payments/Benefits	\$	340,408
Louis Dubin⁽⁵⁾		
Salary	\$	275,000
Continuation of Benefits ⁽³⁾	\$	10,287
Total Termination Payments/Benefits	\$	285,287

(1) Pursuant to the terms of the respective employment agreement, **cause** means termination due to (a) the executive's continued failure to substantially perform the executive's employment duties (other than any such failure resulting from the executive's incapacity due to physical or mental illness) which are demonstrably willful and deliberate on the executive's part and which are not remedied in a reasonable period of time after receipt of notice from St. Joe, (b) the willful engaging by the executive in illegal conduct or gross misconduct which causes financial or reputational harm to St. Joe, (c) the conviction of a felony or a guilty or nolo contendere plea by the executive with respect thereto, (d) the material breach by the executive of his employment agreement or any of St. Joe's written policies, (e) the habitual abuse of narcotics or alcohol by the executive, (f) engaging in fraud in connection with the business of St. Joe or misappropriation of St. Joe's funds or property, or (g) the executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by the employment agreement or the executive's loss of any governmental or self-regulatory license that is reasonably necessary for the executive to perform his responsibilities to.

(2) Pursuant to the terms of the respective employment agreement, **good reason** means the executive's termination of the executive's employment for any one or more of the following reasons without the executive's express written consent: (a) A significant diminution in the executive's position, authority, comparable duties or responsibilities, excluding for these purposes: (i) an isolated, insubstantial or inadvertent action not taken in bad faith that is remedied by St. Joe within thirty (30) days after receipt of written notice thereof given by the executive as provided in Section 5.4 of the employment

agreement, (ii) a change in the person to whom

Table of Contents

(but not the position to which) the executive reports, or (iii) the executive ceasing to be an executive officer subject to Section 16(b) of the Exchange Act; (b) a material failure by St. Joe to comply with any of the provisions of Section 4 of the employment agreement other than an isolated, insubstantial or inadvertent failure not occurring in bad faith that is remedied by St. Joe within thirty (30) days after receipt of notice thereof given by the executive pursuant to Section 5.4 of the employment agreement; (c) any purported termination by St. Joe of the executive's employment otherwise than as expressly permitted by the employment agreement; or (d) any failure by St. Joe to comply with and satisfy Section 9.3 of the employment agreement.

- (3) Pursuant to terms of the respective employment agreements, each executive, whether terminated without cause or for good reason, receives a continuation of health and welfare benefits for a period of 18 months following the date of termination.
- (4) Mr. Hoyer's employment was terminated in October 2013. On March 25, 2013, we entered into a memorandum of understanding with Mr. Hoyer pursuant to which we agreed that pursuant to Mr. Hoyer's employment agreement, upon his termination we would continue to pay: (1) his then current salary for a period of 12 months and (2) our portion of the cost of continued health and welfare benefits for a period of 18 months.
- (5) Mr. Dubin's employment was terminated in April 2013. In connection with his resignation, we entered into a separation agreement, release and waiver with Mr. Dubin, pursuant to which we agreed to: (1) pay \$275,000 in a lump sum payment to Mr. Dubin, (2) pay Mr. Dubin's portion of continued health and welfare benefits for a period of 6 months and (3) permit Mr. Dubin to continue his membership in our beach and golf clubs through December 31, 2013.

Table of Contents

VIII. PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (known as the Dodd-Frank Act) requires us to provide our shareholders with the opportunity to approve, on a nonbinding, advisory basis, the compensation of our NEOs.

At the 2013 Annual Meeting, we provided our shareholders the opportunity to cast an advisory vote on the compensation of our NEOs as disclosed in the proxy statement for the 2013 Annual Meeting, and our shareholders approved the proposal, with approximately 97% of the votes cast in favor.

At the 2014 Annual Meeting, we will ask our shareholders to approve our NEO compensation as described in this proxy statement. This proposal, referred to as a Say on Pay Proposal, provides our shareholders with the opportunity to express their views on our NEOs' compensation. In accordance with the Dodd-Frank Act, the vote will be an advisory vote regarding our NEO compensation program generally and does not examine any particular compensation element individually. Accordingly, we will present the following advisory Say on Pay Proposal at the 2014 Annual Meeting for shareholder approval:

RESOLVED, that, the compensation paid to St. Joe's NEOs, as disclosed in this proxy statement for our 2014 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and related narrative disclosure, is hereby approved.

As discussed in the Compensation Discussion and Analysis and the tables and narratives that follow it, the compensation packages for our NEOs are designed to attract, retain and motivate our executives who are critical to our success, to reward our executives on the basis of the Board's evaluation of our overall financial performance and the contribution of the individual NEO to such performance, as well as to align the interests of our executives with those of our shareholders.

We believe that our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and rewarding the achievement of financial and operational performance metrics that build shareholder value. For additional information on the compensation program for our NEOs, including specific information about compensation in 2013, please read the Compensation Discussion and Analysis, along with the subsequent tables and narrative descriptions.

Table of Contents

This Say on Pay vote is advisory, and therefore not binding on St. Joe, the Compensation Committee or our Board. However, the Compensation Committee intends to review the results of the advisory vote and will be cognizant of the feedback received from the voting results as it completes its annual review and engages in the compensation planning process.

Recommendation of the Board of Directors

The Board of Directors recommends a vote **FOR** adoption of the resolution approving, on an advisory basis, the compensation of our NEOs.

Table of Contents**IX. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS****Principal Holders of Stock**

The following table shows the number of shares of common stock held by all persons who are known by us to beneficially own or exercise voting or dispositive control over more than five percent of our outstanding common stock as of March 14, 2014:

Name and Address	Number of Shares Beneficially Owned	Percent of Class (1)
Fairholme Capital Management, LLC, Bruce R. Berkowitz and Fairholme Funds, Inc. 4400 Biscayne Boulevard, 9th Floor Miami, FL 33137	25,010,633 (2)	27.1%
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	17,250,122 (3)	18.7%
Janus Capital Management, LLC and Janus Contrarian Fund 151 Detroit Street Denver, CO 80206	10,935,442 (4)	11.8%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	7,583,932 (5)	8.2%
Marketfield Asset Management LLC 292 Madison Avenue, 14th Floor New York, New York 10017	6,486,043 (6)	7.0%

(1) The percentages reported are based on 92,292,913 shares of common stock outstanding as of March 14, 2014.

(2) Based on a Schedule 13D/A filed by Fairholme Capital Management, LLC, on November 8, 2013 (the "Fairholme 13D/A"). The Fairholme 13D/A states that Fairholme Capital Management, LLC and Bruce R. Berkowitz shared the power to vote or direct the vote of 23,841,602 shares and shared the power to dispose or direct the disposition of 25,010,633 shares. The Fairholme 13D/A further states that Fairholme Funds, Inc. shared the power to vote or direct the vote of 23,136,502 shares and shared the power to dispose or direct the disposition of 23,136,502 shares.

(3) Based on a Schedule 13G/A filed by Blackrock, Inc. on January 10, 2014.

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- (4) Based on a Schedule 13G/A filed by Janus Capital Management, LLC on February 14, 2014. Janus Capital had the sole power to vote or direct the vote and the sole power to dispose or direct the disposition of 10,935,442 shares at December 31, 2013. Janus Contrarian has sole voting and dispositive power with respect to 9,469,337. Janus owns 96.74% of INTECH Investment Management (INTECH) and 99.61% of Perkins Investment Management LLC (Perkins), each of which are registered investment advisers which furnish advice to various investment companies and to individual and institutional clients (Managed Portfolios). Janus and INTECH disclaim pecuniary interests in such shares. Janus Contrarian is an investment company and one of the Managed Portfolios to which Janus Capital provides investment advice.
- (5) Based on a Schedule 13G/A filed by T. Rowe Price Associates, Inc. on February 13, 2014. Price Associates has sole voting power with respect to 2,712,832 shares it beneficially owns and sole dispositive power with respect to 7,549,832 shares it beneficially owns.
- (6) Based on a Schedule 13G filed by Marketfield Asset Management LLC on February 14, 2014. 249,281 of these shares are owned with sole voting power and sole dispositive power and 6,236,762 of these shares are owned with shared voting power and shared dispositive power. Marketfield Asset Management LLC does not directly own shares of St. Joe s Common Stock. By virtue of being an investment advisor to The Marketfield Fund Dublin, Marketfield Asset Management LLC may be deemed to indirectly beneficially own 249,281 shares of Common Stock that are beneficially owned by The Marketfield Fund Dublin. By virtue of being a sub-investment advisor to MainStay Marketfield Fund, Marketfield Asset Management LLC may be deemed to indirectly beneficially own 6,130,622 shares of Common Stock that are beneficially owned by MainStay Marketfield Fund. By virtue of being a sub-investment advisor to MainStay VP Marketfield Portfolio which is a part of the MainStay VP Funds Trust, Marketfield Asset Management LLC may be deemed to indirectly beneficially own 106,140 shares of Common Stock that are beneficially owned by the MainStay VP Marketfield Portfolio.

Table of Contents**Common Stock Ownership by Directors and Executive Officers**

The following table sets forth the number of shares of our common stock beneficially owned by the directors, the named executive officers and the directors and all named executive officers as a group, as of March 14, 2014.

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Cesar L. Alvarez	--	--
Bruce R. Berkowitz	25,010,633(3)	27.1%
Patrick Bienvenue	--	--
Kenneth Borick	14,712(4)	*
Park Brady	29,838	*
Marek Bakun	--	--
Louis Dubin	2,649	--
Howard S. Frank	--	--
David Harrelson	2,761(5)	*
Thomas Hoyer	--	--
Jeffrey Keil	8,408	*
Stanley Martin	8,408	*
Thomas P. Murphy, Jr.	17,152	*
Directors and Executive Officers as a Group (twelve (12) persons) (6)	29,091,912	27.8%

- (1) Each director and executive officer listed has sole or shared voting and dispositive power over the shares listed.
- (2) The percentages reported are based on 92,292,913 shares of common stock outstanding as of March 14, 2014. An * indicates less than 1% ownership.
- (3) The amount shown for Bruce R. Berkowitz is based on the number of shares reported on the Fairholme 13D/A. According to the Fairholme 13D/A, Mr. Berkowitz shared the power to vote or direct the vote of 23,841,602 shares and shared the power to dispose or direct the disposition of 25,010,633 shares.
- (4) Includes 2,595 shares issuable upon the exercise of stock options exercisable within 60 days.
- (5) Includes 1,446 shares issuable upon the exercise of stock options exercisable within 60 days.
- (6) Excludes shares owned by Messrs. Hoyer and Dubin. Mr. Hoyer's position as Chief Financial Officer of St. Joe terminated on October 23, 2013. Mr. Dubin resigned from his position as Executive Vice President of St. Joe on April 24, 2013.

Table of Contents

X. OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities, to file reports with the SEC relating to their common stock ownership and changes in such ownership. To our knowledge, based solely on our records and certain written representations received from our executive officers and directors, during the year ended December 31, 2013, directors, executive officers and greater than 10% shareholders complied with their Section 16(a) filing requirements applicable to them on a timely basis.

Shareholder Proposals for 2015 Annual Meeting

Shareholder proposals should be sent to us at The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413. To be considered for inclusion in our proxy statement for the 2015 Annual Meeting of Shareholders the deadline for submission of shareholder proposals, pursuant to Rule 14a-8 of the Exchange Act, is December 4, 2014. Additionally, pursuant to our Bylaws, we must receive notice of any shareholder proposal to be submitted at the 2015 Annual Meeting of Shareholders, but not required to be included in our proxy statement, no earlier than January 14, 2015 and no later than February 3, 2015. The persons named in the proxies solicited by management may exercise discretionary voting authority with respect to such proposal.

List of Shareholders Entitled to Vote at the Annual Meeting

The names of shareholders of record entitled to vote at the Annual Meeting will be available at our corporate office for a period of 10 days prior to the Annual Meeting and continuing through the Annual Meeting.

Expenses Relating to this Proxy Solicitation

We will pay all expenses relating to this proxy solicitation. In addition to this solicitation by mail, our officers, directors, and employees may solicit proxies by telephone or personal call without extra compensation for that activity. We also expect to reimburse banks, brokers and other persons for reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of our stock and obtaining the proxies of those owners.

Communication with St. Joe's Board of Directors

Any shareholder or other interested party who desires to contact any member of the Board of Directors (including our independent Chairman, Mr. Berkowitz, or the non-management directors as a group) may do so in one of the following three ways:

electronically by sending an e-mail to the following address: directors@joe.com;

Table of Contents

in writing to the following address: Board of Directors, The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413; or by telephone at (800) 571-4840.

Communications relating to relevant business matters are distributed by the Corporate Secretary to the members of the Board as appropriate depending on the facts and circumstances outlined in the communication received. For example, any complaints regarding accounting, internal accounting controls and auditing matters would be forwarded by the Corporate Secretary to the Chair of the Audit Committee for review.

Available Information

We maintain an Internet website at www.joe.com. Copies of the Committee charters of each of the Audit Committee, Compensation Committee and Governance Committee, together with certain other corporate governance materials, including our Bylaws, Corporate Governance Guidelines and Code of Business Conduct and Ethics, can be found under the Investor Relations - Corporate Governance section of our website located at www.joe.com, and such information is also available in print to any shareholder who requests it through our Investor Relations department at the address below.

We will furnish without charge to each person whose proxy is being solicited, upon request of any such person, a copy of the 2013 Form 10-K as filed with the SEC, including the financial statements and schedules thereto, but not the exhibits. In addition, such report is available, free of charge, through the Investor Relations - Corporate Governance section of our Internet website, located at www.joe.com. A request for a copy of such report should be directed to The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413, Attn: Investor Relations. A copy of any exhibit to the 2013 Form 10-K will be forwarded following receipt of a written request with respect thereto addressed to Investor Relations.

Electronic Delivery

This year we again have elected to take advantage of the SEC's rule that allows us to furnish proxy materials to you online. We believe electronic delivery will expedite shareholders' receipt of materials, while lowering costs and reducing the environmental impact of our Annual Meeting by reducing printing and mailing of full sets of materials. We mailed the Notice containing instructions on how to access our proxy statement and annual report online on or about April 3, 2014. If you would like to receive a paper copy of the proxy materials, the Notice contains instructions on how to receive a paper copy.

Householding

We have adopted a procedure approved by the SEC called "householding." Under this procedure, shareholders of record who have the same address and last name will receive only one copy of our Notice, unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. This procedure will reduce our printing costs and postage fees.

Table of Contents

If you are eligible for householding, but you and other shareholders of record with whom you share an address currently receive multiple copies of the Notice, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of the Notice for your household, please contact our Corporate Secretary at The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413, (850) 231-6400.

If you participate in householding and wish to receive a separate copy of the Notice, or if you do not wish to participate in householding and prefer to receive separate copies of the Notice in the future, please contact our Corporate Secretary as indicated above. Beneficial shareholders can request information about householding from their nominee.

Table of Contents

THE ST. JOE COMPANY

VOTE BY INTERNET - www.proxyvote.com

133 SOUTH WATERSOUND

PARKWAY

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

WATERSOUND, FL 32413

ATTN: KENNETH M. BORICK

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by The St. Joe Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS
BELOW IN BLUE OR BLACK
INK AS FOLLOWS:

M55917-B36375

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE ST. JOE COMPANY

The Board of Directors recommends you vote **FOR** the following director nominees:

1. Election of Directors

For Against Abstain

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Nominees for a one-year term of office expiring at the 2015 Annual Meeting:

1a.	Cesar L. Alvarez	..	..	..	The Board of Directors recommends you vote FOR the following proposal:			
1b.	Bruce R. Berkowitz	..	..	..		For	Against	Abstain
1c.	Park Brady	..	..	..	2. Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the 2014 fiscal year	..	..	..
1d.	Howard S. Frank	..	..	..	
1e.	Jeffrey C. Keil	..	..	..	The Board of Directors recommends you vote FOR the following proposal:	For	Against	Abstain
1f.	Stanley Martin	..	..	..	3. Approval, on an advisory basis, of the compensation of our named executive officers.	..	..	..
1g.	Thomas P. Murphy, Jr.	..	..	..	

Yes **No**

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please indicate if you plan to attend this meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners) [PLEASE SIGN WITHIN BOX]

Date

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

THE ST. JOE COMPANY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ANNUAL MEETING OF SHAREHOLDERS

May 14, 2014

The shareholder(s) hereby appoint(s) Bruce R. Berkowitz and Park Brady, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of The St. Joe Company that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 10:00 AM, Central Daylight Time on May 14, 2014, at the WaterColor Inn at 34 Goldenrod Circle, Santa Rosa Beach, Florida 32459, and any adjournment or postponement thereof.

The shares represented by this proxy, when properly executed, will be voted as directed by the shareholder(s). If no such directions are made, this proxy will be voted FOR the director nominees in proposal 1 and FOR proposals 2 and 3, all as described on the reverse side. If any other matters properly come before the meeting, the persons named in this proxy will vote in their discretion. This proxy will revoke all prior proxies signed by you.

Continued and to be signed on reverse side