

BROWN & BROWN INC
Form DEF 14A
March 24, 2016

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

BROWN & BROWN, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

2016 PROXY STATEMENT AND NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

March 24, 2016

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders (the “Meeting”) of Brown & Brown, Inc. (the “Company”), which will be held in the Atlantic Room of The Shores Resort, 2637 South Atlantic Avenue, Daytona Beach, Florida 32118, on Wednesday, May 4, 2016 at 9:00 a.m. (EDT).

This year, we are again pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their shareholders via the Internet. We believe that this e-proxy process expedites shareholders’ receipt of proxy materials, while lowering the costs and reducing the environmental impact of the Meeting. On March 24, 2016, we mailed to our beneficial shareholders a notice containing instructions on how to access our Proxy Statement and Annual Report and how to vote online (the “Notice”). All other shareholders will continue to receive a paper copy of the Proxy Statement, Proxy Card and Annual Report by mail. The Proxy Statement contains instructions on how you can (i) receive a paper copy of the Proxy Statement, Proxy Card and Annual Report if you only received a Notice by mail, or (ii) elect to receive your Proxy Statement and Annual Report over the Internet if you received them by mail this year.

The Notice and Proxy Statement on the following pages cover the formal business of the Meeting. Whether or not you expect to attend the Meeting, please vote online or by phone as directed in the Notice, or sign and return your proxy card promptly in the enclosed envelope to assure that your stock will be represented at the Meeting. If you decide to attend the Meeting and vote in person, you will, of course, have that opportunity.

Your continuing interest in the business of the Company is gratefully acknowledged. We hope many shareholders will attend the Meeting.

Sincerely,

J. Powell Brown
Chief Executive Officer

BROWN & BROWN, INC.
220 South Ridgewood Avenue
Daytona Beach, Florida 32114
Notice of Annual Meeting
of Shareholders
May 4, 2016

The Annual Meeting of Shareholders (the “Meeting”) of Brown & Brown, Inc. (the “Company”) will be held in the Atlantic Room of The Shores Resort, 2637 South Atlantic Avenue, Daytona Beach, Florida 32118, on Wednesday, May 4, 2016 at 9:00 a.m. (EDT), for the following purposes:

1.
To elect twelve (12) nominees to the Company’s Board of Directors;
2.
To ratify the appointment of Deloitte & Touche LLP as Brown & Brown, Inc.’s independent registered public accountants for the fiscal year ending December 31, 2016;
3.
To approve, on an advisory basis, the compensation of named executive officers;
4.
To reapprove the material terms of the performance goals under the Company’s 2010 Stock Incentive Plan pursuant to Internal Revenue Code Section 162(m);
5.
To approve an amendment to the Company’s 2010 Stock Incentive Plan to increase the number of shares available for issuance under the plan; and
6.
To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on February 29, 2016 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any postponements or adjournments of the Meeting.

For your convenience, we are also offering an audio webcast of the Meeting. To access the webcast, please visit the “Investor Relations” section of our website (www.bbinsurance.com) shortly before the Meeting time and follow the instructions provided. A replay of the webcast will be available on our website beginning the afternoon of May 4, 2016, and continuing for 30 days thereafter.

Your vote is important. Please vote, date, sign and promptly return the enclosed proxy in the envelope provided for that purpose, whether or not you intend to be present at the Meeting.

By Order of the Board of Directors

Robert W. Lloyd
Corporate Secretary
Daytona Beach, Florida
March 24, 2016

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on
May 4, 2016

The Proxy Statement and Annual Report to Shareholders are available at:
www.viewproxy.com/bbinsurance/2016

BROWN & BROWN, INC.

PROXY STATEMENT

ANNUAL MEETING AND PROXY SOLICITATION INFORMATION

On March 24, 2016, we mailed to our beneficial shareholders of record as of the close of business on February 29, 2016 a notice containing instructions on how to access this Proxy Statement and our Annual Report online and how to vote online (the "Notice"), and thereafter, we began mailing these proxy materials to all other shareholders. These proxy materials are made available to shareholders in connection with the solicitation of proxies by the Board of Directors of Brown & Brown, Inc. to be voted at the Annual Meeting of Shareholders, to be held in the Atlantic Room of The Shores Resort, 2637 South Atlantic Avenue, Daytona Beach, Florida 32118 at 9:00 a.m. (EDT) on Wednesday, May 4, 2016, and at any postponement or adjournment thereof (the "Meeting"). The close of business on February 29, 2016 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting. At the close of business on the record date, we had outstanding 138,610,502 shares of \$0.10 par value common stock, entitled to one vote per share.

As permitted by the Securities and Exchange Commission ("SEC") rules, Brown & Brown, Inc. is making this Proxy Statement and its Annual Report available to its shareholders electronically via the Internet. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail (unless you request them, as described below and explained in the Notice). Instead, the Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and Annual Report. The Notice also instructs you on how you may vote online. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions in the Notice for requesting the materials.

Shares represented by duly executed proxies in the accompanying form that we receive prior to the Meeting will be voted at the Meeting. If you specify in the proxy a choice with respect to any matter to be acted upon, the shares represented by such proxy will be voted as specified. If your proxy card is signed and returned without specifying a vote or an abstention, the shares represented by such proxy will be voted according to the recommendation of the Board of Directors.

The Board of Directors recommends a vote "FOR" the following five proposals:

the election of twelve (12) nominees to Brown & Brown, Inc.'s Board of Directors;

the ratification of the appointment of Deloitte & Touche LLP as Brown & Brown, Inc.'s independent registered public accountants for the fiscal year ending December 31, 2016;

the approval, on an advisory basis, of the compensation of named executive officers;

the reapproval of the material terms of the performance goals under Brown & Brown, Inc.'s 2010 Stock Incentive Plan ("SIP") pursuant to Internal Revenue Code Section 162(m); and

the approval of an amendment to the SIP to increase the number of shares available for issuance under the SIP.

The Board of Directors knows of no other matters that may be brought before the Meeting. However, if any other matters are properly presented for action, it is the intention of the named proxies to vote on them according to their best judgment.

If your shares are held in a stock brokerage account, or by a bank or other nominee, you have the right to provide instructions on voting as requested by your broker, bank or nominee. Under the rules of the New York Stock Exchange (the "NYSE"), your broker, bank or nominee is permitted to vote your shares on the second proposal concerning the ratification of the appointment of Deloitte & Touche LLP as our independent registered public

accountants for the fiscal year ending December 31, 2016 even if your broker, bank or nominee has not been given specific voting instructions as to this matter. Your broker, bank or nominee is not permitted to vote your shares on the first, third, fourth or fifth proposals.

After you have returned a proxy, you may revoke it at any time before it is voted by taking one of the following actions: (i) giving written notice of the revocation to our Corporate Secretary at 220 S. Ridgewood Ave., Daytona Beach, Florida 32114, or by email to annualmeeting@bbins.com; (ii) executing and delivering a proxy with a later date; or (iii) voting in person at the Meeting. Votes cast by proxy or in person at the Meeting will be tabulated by Alliance Advisors, LLC, and by one or more inspectors of election appointed at the Meeting, who will also determine whether a quorum is present for the transaction of business. A quorum is present when a majority in interest of all the common stock outstanding is represented by shareholders present in person or by proxy.

Shares of the common stock represented by proxies received by the Company (whether through the return of the enclosed proxy card, by telephone or over the Internet), where the shareholder has specified his or her choice with respect to the proposals described in this Proxy Statement (including the election of directors), will be voted in accordance with the specification(s) so made. If your proxy is properly executed but does not contain voting instructions, or if you vote via telephone or the Internet without indicating how you want to vote with respect to any item, your shares will be voted "FOR" the election of all nominees for the Board of Directors; "FOR" the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for the fiscal year ending December 31, 2016; "FOR" the advisory vote to approve named executive officer compensation; "FOR" the reapproval of the material terms of the performance goals under the Company's 2010 Stock Incentive Plan (SIP) pursuant to Internal Revenue Code Section 162(m); and "FOR" the approval of the amendment of the SIP.

A valid proxy also gives the individuals named as proxies authority to vote in their discretion when voting the shares on any other matters that are properly presented for action at the Meeting.

If the shares you own are held in "street name" by a broker or other nominee entity and you provide instructions to the broker or nominee as to how to vote your shares, your broker or other nominee entity, as the record holder of your shares, is required to vote your shares according to your instructions. Under the NYSE rules, certain proposals, such as the ratification of the appointment of the Company's registered public accountants, are considered "routine" matters, and brokers and other nominee entities generally may vote on such matters on behalf of beneficial owners who have not furnished voting instructions. For "non-routine" matters, such as the election of directors, the "say on pay" advisory vote, the reapproval of the material terms of the performance goals under the SIP pursuant to Internal Revenue Code Section 162(m), and the approval of an amendment to the SIP, brokers and other nominee entities may not vote unless they have received voting instructions from the beneficial owner. A "broker non-vote" occurs when a broker or other nominee entity does not vote on a particular proposal because it does not have authority under the NYSE rules to vote on that particular proposal without receiving voting instructions from the beneficial owner.

Broker non-votes, as well as properly executed proxies marked "ABSTAIN," will be counted for purposes of determining whether a quorum is present at the Meeting.

Because this director election is an uncontested election, if a quorum is present, the nominees for election as directors who receive a number of "FOR" votes that exceeds 50% of the votes cast will be elected as directors. Votes actually cast shall include votes where the authority to cast a vote for the director's election is explicitly withheld and exclude abstentions with respect to that director's election. If a nominee is not elected and no successor has been elected at the meeting, the director shall promptly tender his or her conditional resignation following certification of the vote. The Nominating/ Corporate Governance Committee shall consider the resignation offer and recommend to the Board of Directors whether to accept it. The Board of Directors will endeavor to act on the Nominating/Corporate Governance Committee's recommendation within 90 days following the recommendation. For additional information regarding the majority voting standard, see "Majority Voting for Directors," below.

In order to pass, each of Proposals 2, 3, 4 and 5 must receive the affirmative vote of a majority of the votes cast on the Proposal. A broker non-vote will not have an effect on these proposals. An abstention will not have an effect on Proposals 2, 3 and 4; however, pursuant to NYSE rules applicable to Proposal 5, an abstention will be considered a "vote cast" and therefore have the effect of a negative vote on the Proposal.

Proxies may be solicited by our officers, directors, and regular supervisory and executive employees, none of whom will receive any additional compensation for their services. Also, Alliance Advisors, LLC may solicit proxies on our behalf at an approximate cost of \$5,000, plus reasonable expenses. Such solicitations may be made personally or by mail, facsimile, telephone, messenger or via the Internet. We will pay persons holding shares of common stock in their names or in the names of nominees, but not owning such shares beneficially, such as brokerage houses, banks, and other fiduciaries, for the expense of forwarding solicitation materials to their principals. We will pay all of the costs of solicitation of proxies.

Our executive office is located at 220 South Ridgewood Avenue, Daytona Beach, Florida 32114 (telephone number (386) 252-9601).

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth, as of February 29, 2016, the record date for the Meeting, information as to our common stock beneficially owned by (1) each of our directors, all of whom are director nominees, (2) each Named Executive Officer named in the Summary Compensation Table, (3) all of our directors and current executive officers as a group and (4) any person or entity whom we know to be the beneficial owner of more than five percent of the outstanding shares of our common stock.

Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)(3)(4)	Percent of Total
J. Hyatt Brown(5)	20,985,855	15.14%
Samuel P. Bell, III	33,286	*
Hugh M. Brown(6)	18,386	*
J. Powell Brown(7)	1,614,636	1.16%
Bradley Currey, Jr.	330,172	*
Theodore J. Hoepner	51,286	*
James S. Hunt	4,243	*
Toni Jennings	18,951	*
Timothy R.M. Main	8,205	*
H. Palmer Proctor, Jr.(8)	9,567	*
Wendell S. Reilly	109,236	*
Chilton D. Varner	30,376	*
Charles H. Lydecker(9)	416,946	*
J. Scott Penny(10)	451,376	*
Anthony T. Strianese	249,043	*
R. Andrew Watts	63,046	*
Chris L. Walker	74,428	*
All current directors and executive officers as a group (18 persons)(11)	24,299,138	17.49%
BlackRock Inc.(12) 55 East 52nd Street New York, NY 10022	8,225,168	5.93%
The Vanguard Group, Inc.(13) 100 Vanguard Boulevard Malvern, PA 19355	8,875,767	6.40%

*

Less than 1%.

(1)

Unless otherwise indicated, the address of such person is c/o Brown & Brown, Inc., 220 South Ridgewood Avenue, Daytona Beach, Florida 32114.

(2)

Beneficial ownership of shares, as determined in accordance with applicable SEC rules, includes shares as to which a person has or shares voting power and/or investment power, or as to which a person has the right to acquire beneficial ownership within the next 60 days. We have been informed that all shares shown are held of record with sole voting

and investment power, except as otherwise indicated.

(3)

The number and percentage of shares owned by the following persons include the indicated number of shares owned through our 401(k) plan as of February 29, 2016: Mr. Powell Brown — 18,695; Mr. Watts — 0; Mr. Lydecker — 0; Mr. Penny — 24,377; Mr. Strianese — 0; Mr. Walker — 0; and all current directors and executive officers as a group — 71,939.

The number and percentage of shares owned by the following persons also include the indicated number of shares which such persons have been granted under our Performance Stock Plan (“PSP”) as of February 29, 2016: Mr. Powell Brown — 70,332; Mr. Watts — 0; Mr. Lydecker — 59,588; Mr. Penny — 55,488; Mr. Strianese — 38,576; Mr. Walker — 3

0; and all current directors and executive officers as a group — 182,032. The number and percentage of shares owned by Mr. Powell Brown also includes 344,357 shares which Mr. Powell Brown has been granted under our SIP. These PSP and, in the case of Mr. Powell Brown, SIP shares in some cases have voting and dividend rights due to satisfaction of the first condition of vesting based on stock price performance, but the holders thereof currently have no power to sell or dispose of the shares, and the shares are subject to forfeiture.

In addition, the number and percentage of shares owned by the following persons include the indicated number of shares which such persons have been granted under our SIP in the form of Performance-Triggered Stock Grants (“PTSGs”) as of February 29, 2016: Mr. Powell Brown — 28,002; Mr. Watts — 35,558; Mr. Lydecker — 46,554; Mr. Penny — 46,554; Mr. Strianese — 50,506; Mr. Walker — 34,147; and all current directors and executive officers as a group — 213,000. These PTSGs have voting and dividend rights, but the holders thereof have no power to sell or dispose of the shares, and the shares are subject to forfeiture in the event that the recipient does not continue to be employed with us for a specified number of years following the date of grant. For further information concerning the terms of these grants please see the section titled, “Compensation Discussion and Analysis — 2015 SIP Awards,” below.

(4)

On February 27, 2008, the indicated number of options was granted to the following persons under the 2000 Incentive Stock Option (“ISO”) Plan: Mr. Powell Brown — 175,000; Mr. Watts — 0; Mr. Lydecker — 100,000; Mr. Penny — 100,000; Mr. Strianese — 100,000; Mr. Walker — 0; and all current directors and executive officers as a group — 375,000. Of these grant amounts, the indicated number of options were exercisable by the following persons under the ISO Plan as of February 29, 2016 or within 60 days thereafter (excluding options that are subject to vesting to the extent that performance-based conditions are satisfied during such period): Mr. Powell Brown — 70,000; Mr. Watts — 0; Mr. Lydecker — 0; Mr. Penny — 34,589; Mr. Strianese — 60,000; Mr. Walker — 0; and all current directors and executive officers as a group — 164,589; and therefore, the underlying shares are deemed to be beneficially owned.

(5)

Of the shares beneficially owned by Mr. Hyatt Brown, 20,886,328 are held of record by Ormond Riverside, Limited Partnership, of which Swakopmund, Inc. is the General Partner that has voting and investment power over such shares. Swakopmund, Inc. is 100% owned by the Swakopmund Trust of 2009, a revocable trust created by Mr. Hyatt Brown, who is the sole trustee thereof and retains the sole voting and investment powers with respect to all the shares of Swakopmund, Inc. An additional 31,527 shares are beneficially owned jointly with Mr. Hyatt Brown’s spouse, and these shares have shared voting and investment power, and an additional 68,000 shares are held in an IRA account.

(6)

Mr. Hugh Brown’s ownership includes 400 shares owned by his spouse, as to which he disclaims beneficial ownership.

(7)

Mr. Powell Brown’s ownership includes 9,171 shares owned by children living in his household, as to which he disclaims beneficial ownership.

(8)

Mr. Proctor’s ownership includes 224 shares owned by his spouse, as to which he disclaims beneficial ownership.

(9)

Mr. Lydecker ceased to be an executive officer of the Company as of September 16, 2015, in connection with the Company’s realignment of its Retail Division, of which Mr. Lydecker presently serves as a Regional President.

(10)

Mr. Penny’s ownership includes 96 shares owned by children living in his household, as to which he disclaims beneficial ownership, and 202,924 shares owned jointly with spouse.

(11)

Includes amounts beneficially owned by all our current directors and executive officers as of February 29, 2016, as a group.

(12)
The amount shown is derived from a Schedule 13G filed by BlackRock, Inc. (“BlackRock”) on or around January 25, 2016 reporting beneficial ownership as of December 31, 2015. According to the Schedule 13G, BlackRock has sole voting power over 7,765,893 shares and sole dispositive power over 8,225,168 shares.

(13)
The amount shown is derived from a Schedule 13G filed by The Vanguard Group (“Vanguard”), as amended on or around February 10, 2016 reporting beneficial ownership as of December 31, 2015. According to the Schedule 13G, Vanguard has sole voting power over 90,544 shares and sole dispositive power over 8,793,128 shares.

MANAGEMENT

Directors and Executive Officers

Set forth below is certain information concerning our current directors, all of whom are director nominees, and executive officers. All directors and officers hold office for one-year terms or until their successors are elected and qualified.

Name	Position	Age	Year First Became a Director
J. Hyatt Brown	Chairman of the Board	78	1993
Samuel P. Bell, III	Director	76	1993
Hugh M. Brown	Director	80	2004
J. Powell Brown	Director; President and Chief Executive Officer	48	2007
Bradley Currey, Jr.	Director	85	1995
Theodore J. Hoepner	Director	74	1994
James S. Hunt	Director	60	2013
Toni Jennings	Director	66	2007(1)
Timothy R.M. Main	Director	50	2010
H. Palmer Proctor, Jr.	Director	48	2012
Wendell S. Reilly	Director	58	2007
Chilton D. Varner	Director	73	2004
Richard A. Freebourn, Sr.	Executive Vice President – Internal Operations and People Officer	68	—
Robert W. Lloyd	Executive Vice President; Secretary and General Counsel	51	—
J. Scott Penny	Executive Vice President; Chief Acquisitions Officer	49	—
Anthony T. Strianese	Executive Vice President; President – Wholesale Brokerage Division	54	—
Chris L. Walker	Executive Vice President; President – Programs Division	58	—
R. Andrew Watts	Executive Vice President; Chief Financial Officer and Treasurer	47	—

(1)

Ms. Jennings previously served on our Board of Directors from 1999 until April 2003.

J. Hyatt Brown

Mr. Brown has been Chairman of our Board of Directors since 1994. Mr. Hyatt Brown was our Chief Executive Officer from 1993 to July 1, 2009 and our President from 1993 to December 2002, and served as President and Chief Executive Officer of our predecessor corporation from 1961 to 1993. He was a member of the Florida House of Representatives from 1972 to 1980, and Speaker of the House from 1978 to 1980. Mr. Brown serves on the Board of Directors of International Speedway Corporation, and Verisk Analytics, Inc. (formerly Insurance Services Office), each a publicly held company. He previously served as a director of Next Era Energy, Inc., RockTenn Company, SunTrust Banks, Inc. (“SunTrust”), and BellSouth Corporation, each a publicly held company. Mr. Brown is a member of the Board of Trustees of Stetson University, of which he is a past Chairman, and the Florida Council of 100. Mr. Brown served as Chairman of the Council of Insurance Agents & Brokers from 2004 to 2005 and is a past Vice Chairman of the Florida Residential Property and Casualty Joint

Underwriting Association. One of Mr. Brown's sons, J. Powell Brown, is employed by us as President and Chief Executive Officer, and has served as a director since October 2007.

Mr. Hyatt Brown's extensive business and industry experience, knowledge of our company, service on boards of other publicly traded companies and proven leadership ability are just a few of the attributes that make him uniquely qualified to serve on, and chair, our Board.

Samuel P. Bell, III

Mr. Bell has served as Of Counsel to the law firm of Buchanan Ingersoll & Rooney PC since March 2015. From November 2013 until March 2015, he served as Of Counsel to the law firm of Pennington, Moore, Wilkinson, Bell & Dunbar, P.A., and prior to that, had been a shareholder of the firm since January 1998. Prior to that, he was a shareholder and managing partner of Cobb Cole & Bell (now Cobb & Cole, P.A.), and he served as Of Counsel to Cobb Cole & Bell until August 2002. Mr. Bell was a member of the Florida House of Representatives from 1974 to 1988. He is Chairman of the Advisory Board for the College of Public Health at the University of South Florida, Member of the Florida Public Health Institute, and a member of the Board of Directors of the Florida Children's Home Society. Mr. Bell is a former member of the Florida Elections Commission, and past Chairman of the Florida Legislature's Commission on Local Government II. Mr. Bell's extensive legal experience and familiarity with issues relating to Florida legislative and regulatory matters, along with his contributions in the form of service as current member of the Compensation and Acquisition Committees and a past Chair of the Compensation Committee, are among the factors that were considered with respect to his nomination for re-election to the Board.

Hugh M. Brown

Mr. Brown, who is unrelated to Mr. Hyatt Brown and Mr. Powell Brown, founded BAMSI, Inc., a full-service engineering and technical services company, in 1978 and served as its Chief Executive Officer until his retirement in 1998. Mr. Brown currently serves as a member of the Advisory Board of Directors of SunTrust Bank of Orlando and a member of the Board of Managers (BOM), Nemours Children's Hospital, Orlando, Florida. He is a past member of the Florida Council of 100 and the Florida Council on Economic Education. He is a past Chairman of the Federal Reserve Bank of Atlanta, and previously served on the Florida Commission on Education, and as Chairman of the Spaceport Florida Authority (now Florida Space Authority) Board of Supervisors. Mr. Brown was named Small Business Person of the Year, 1985, by the U.S. Small Business Administration, and Regional Minority Small Business Person of the Year for the Atlanta region. In 1991, he received the U.S. Small Business Administration's Graduate of the Year Award. He is an inductee of the Junior Achievement Business Hall of Fame for East Central Florida and recipient of the Ernst & Young Entrepreneur of the Year — Services Category in 1993 for the State of Florida. Mr. Brown's business experience, leadership abilities and proven value in leading the Audit Committee, of which he is a past chair and a current member, and his service on the Nominating/Corporate Governance Committee and Acquisition Committee are among the features considered in his nomination for re-election to the Board.

J. Powell Brown

Mr. Powell Brown was named Chief Executive Officer in July 2009. He has been our President since January 2007 and was appointed to be a director in October 2007. Prior to 2007, he served as one of our Regional Executive Vice Presidents since 2002. Mr. Brown was previously responsible for overseeing certain or all parts of all of our divisions over the years, and worked in various capacities throughout the Company since joining us in 1995. Mr. Brown has served on the Board of Directors of WestRock Company (formerly RockTenn Company), a publicly held company, since January 2010. He also serves on the Board of Directors of Camp Boggie Creek. He is the son of our Chairman, J. Hyatt Brown. Mr. Powell Brown's work in all divisions of our Company, leadership experience at every level of our Company and current position as President and Chief Executive Officer are among the qualities considered in connection with his nomination for re-election to the Board.

Bradley Currey, Jr.

Mr. Currey served as Chief Executive Officer of RockTenn Company, a publicly held manufacturer of packaging and recycled paperboard products, from 1989 to 1999 and as Chairman of the Board of RockTenn Company from 1993 to 2000, when he retired. He also previously served as President (1978 – 1995) and Chief Operating Officer (1978 – 1989) of RockTenn Company. From 1953 until 1976, Mr. Currey was employed by Trust Company of Georgia, a publicly held commercial bank and bank holding company, where he served as Chief Financial Officer and was a member of the Board of Directors from 1972 – 1976. Mr. Currey previously served as a member of the Board of Directors and Executive Committee of RockTenn Company, and is currently Director Emeritus of Genuine Parts Company, a publicly traded company. Mr. Currey is Trustee Emeritus and a past Chairman of the Board of Trustees of Emory University. He is a Trustee Emeritus and past Chairman of the Board of the Woodruff Arts Center and the Atlanta Symphony Orchestra, a division of the Woodruff Arts Center in Atlanta, Georgia. He is also a past Chairman of the Federal Reserve Bank of Atlanta and the Metro Atlanta Chamber of Commerce and past member of the Board of Directors of Fresh Frozen Foods. He previously chaired our Nominating/Corporate Governance Committee, on which he continues to serve as a member and is a past member of our Audit Committee. Mr. Currey's business experience, proven leadership abilities, financial accounting and management expertise, as well as contributions in his years of service as Chairman of the Nominating/Corporate Governance Committee and as our former Lead Director, were all considered in connection with his nomination for re-election to the Board.

Theodore J. Hoepner

Mr. Hoepner served as Vice Chairman of SunTrust Bank, Inc. from January 2000 to December 2004 and as Vice Chairman of SunTrust Bank Holding Company from January 2005 until June 2005, when he retired. From 1995 to 2000, Mr. Hoepner was Executive Vice President of SunTrust Bank, Inc. and Chairman of the Board, President and Chief Executive Officer of SunTrust Banks of Florida, Inc. From 1990 through 1995, he served as Chairman of the Board, President and Chief Executive Officer of SunBank, N.A. From 1983 through 1990, he was the Chairman of the Board and Chief Executive Officer of SunBank/Miami, N.A. He is a past Chairman of the Florida Prepaid College Board, the Board of Trustees of Rollins College, the Economic Development Commission of Mid-Florida, the Heart of Florida United Way, the Greater Miami Chamber of Commerce, the Beacon Council of Miami, Florida, and the Financial Executives Institute of Jacksonville, Florida. Mr. Hoepner's years of experience in the banking industry, including extensive experience in management, make him a valuable addition to the Board. He previously chaired our Audit, Compensation and Acquisition Committees and currently serves as a member of the Audit Committee and the Compensation Committee. All of these attributes were among the factors considered in connection with his nomination for re-election to the Board.

James S. Hunt

Mr. Hunt served as Executive Vice President and Chief Financial Officer of Walt Disney Parks and Resorts Worldwide from 2003 until his retirement in 2012. During that period, he was a member of the Boards of Directors of Disney's Hong Kong International Theme Park Company Limited, Shanghai International Theme Park Company Limited and Shanghai International Associated Facilities Company, Limited, as well as Disney's Alameda Insurance and Buena Vista Insurance companies. Prior to that, between 1992 and 2003 he held senior finance positions with Walt Disney World Resort, including Vice President — Finance and Controllershship, Senior Vice President — Operations Finance and Executive Vice President and Chief Financial Officer. Before that time, Mr. Hunt was a Partner with Ernst & Young. Mr. Hunt is a member of the Boards of Trustees of Penn Mutual Life, a mutual life insurance company, where he serves on the Investment and Executive Committees and as Chair of the Audit Committee, and the Children's Hospital Los Angeles, where he chairs the Compensation Committee and is a member of the Executive Committee. Mr. Hunt is a Certified Public Accountant (CPA). Mr. Hunt chairs our Audit Committee and serves as a member of our Compensation and Acquisition Committees. Mr. Hunt's 38 years of increasingly responsible executive and senior executive finance, strategy and related operational roles, financial expertise and significant international experience were factors considered in connection with his nomination for re-election to the Board.

Toni Jennings

Ms. Jennings serves as Chairman of the Board of Jack Jennings & Sons, Inc., a commercial construction firm based in Orlando, Florida, and Jennings & Jennings, Inc., an architectural millwork firm based in Orlando, Florida. Ms. Jennings previously served on our Board of Directors from 1999 until April 2003. From 2003 through 2006, Ms. Jennings served as Lieutenant Governor of the State of Florida. She was the President of Jack Jennings & Sons, Inc. and Secretary and Treasurer of Jennings & Jennings, Inc. from 1982 to 2003. Ms. Jennings was a member of the Florida Senate from 1980 to 2000, and President of the Florida Senate from 1996 to 2000. She served in the Florida House of Representatives from 1976 to 1980. She is a member of the Board of Directors of Next Era Energy, Inc., a publicly held company, Post Properties, a publicly traded real estate investment trust (REIT), The Nemours Foundation, and the Foundation for Florida's Future, and she is past Chair of the Board of the Florida Chamber of Commerce. She previously served as the Chair of Workforce Florida, Incorporated, and as a Director with the Salvation Army Advisory Board, the University of Central Florida Foundation, Enterprise Florida, and the Florida Partnership for School Readiness. Ms. Jennings' experience as owner and operator of a successful business, and her years of service in the legislative and executive branches of the State of Florida are features considered in concluding that she should continue to serve as a director of the Company. Ms. Jennings chairs our Compensation Committee and serves on our Audit Committee.

Timothy R.M. Main

Mr. Main is a Senior Managing Director of Evercore Partners. Prior to joining Evercore in October 2011, Mr. Main worked at JPMorgan Chase, a global investment bank, for 23 years, most recently as a Managing Director and Head of the Financial Institutions Group. Mr. Main's extensive experience with complex financial transactions and acquisitions, as well as his broad knowledge of the insurance industry acquired throughout his career, are key components considered in nominating Mr. Main for re-election to the Board. Mr. Main serves on our Acquisition Committee.

H. Palmer Proctor, Jr.

Mr. Proctor is President and Director of Fidelity Bank and its holding company, Fidelity Southern Corporation, a publicly held company in Atlanta, Georgia. He currently serves on the Executive Committee for the bank and the holding company. He also serves as a member of the Board of Directors of Callanwolde Fine Arts Center. He is a member of the Advisory Board of Allied Financial. Mr. Proctor serves as a director of the Georgia Bankers Association. Mr. Proctor's business experience, leadership abilities and management expertise were factors considered in connection with his nomination for re-election to the Board. He chairs our Acquisition Committee and serves on our Compensation Committee and is a past member of the Audit Committee.

Wendell S. Reilly

Mr. Reilly is the Chairman of Berman Capital Advisors and Managing Partner of Grapevine Partners, LLC, of Atlanta, Georgia, a private company. He is also a General Partner of Peachtree Equity Partners II. Previously, he was Chairman and Chief Executive Officer of Grapevine Communications, LLC, a group of local television stations. Earlier, he was the Chief Financial Officer of The Lamar Corporation and Haas Publishing Companies. Mr. Reilly currently serves on the Board of Directors of Lamar Advertising Company, a publicly traded company. He is also on the Board of Trustees of Emory University and The Carter Center. Mr. Reilly is a graduate of Emory College and earned his MBA in Finance from Vanderbilt University. Mr. Reilly's business background and experience, including years of service with The Lamar Corporation, a publicly traded company in which the families of the founders hold significant ownership interests, enhance his ability to analyze and contribute valuable and unique insights on matters including those relating to capital structure, financing and acquisition structure. Mr. Reilly's contributions as a past Chairman of our Acquisition Committee, current Chairman of our Nominating/Corporate Governance Committee and his role as Lead Director were also taken into consideration in connection with his nomination for re-election to the Board.

Chilton D. Varner

Ms. Varner has been a member of the law firm of King & Spalding in Atlanta, Georgia since 1976 and a partner since 1983. A graduate of Smith College, where she was named to membership in Phi Beta Kappa, and Emory University School of Law, Ms. Varner was honored with Emory University School of Law's Distinguished Alumni Award in 1998. In 2001, the National Law Journal profiled Ms. Varner as one of the nation's top ten women litigators. With more than 30 years of courtroom experience, she specializes in defending corporations in product liability, commercial and other civil disputes. The author of many books and articles on areas of interest in her practice, she has also served as a member of the faculty of the Trial Academy of the International Association of Defense Counsel and regularly presents at bar association meetings around the country. She was a Trustee of Emory University from 1995 until 2014 and currently continues her services as a Trustee Emeritus. She has also served on the Board of the Atlanta Symphony Orchestra and The Carter Center. She served on the Board of Wesley Woods Geriatric Center from 1996 to 2007. As a practicing attorney and partner of one of the nation's premier law firms, and a counselor to businesses, their directors and management concerning risk and risk control, Ms. Varner brings a depth of experience and a wealth of unique and valuable perspectives to our Board. She serves on the Nominating/Corporate Governance Committee, which she previously chaired, and previously chaired the Compensation Committee and served as our Lead Director.

Richard A. Freebourn, Sr.

Mr. Freebourn was appointed Executive Vice President — Internal Operations, and People Officer, respectively, in September 2014. Prior to that he had served as Vice President, Internal Operations since 2004 after serving as Director, Internal Operations commencing in 2002. He has been responsible for acquisition due diligence from 2002 through the present. From 2000 until 2002, he served as our Director of Internal Audit, and from 1998 until 2000, he was Vice President and Operations Leader of the Indianapolis, Indiana office of one of our Retail Division subsidiaries. Mr. Freebourn has been employed by us since 1984. He originally joined the Company as part of an acquisition in Fort Myers, Florida, where he was the Accounting Leader and eventually the Personal Lines, Commercial Lines and Operations Leader through 1997. In his role as People Officer, Mr. Freebourn is responsible for developing recruiting and mentoring strategies in the areas of sales, finance, human resources, information technology and insurance operations. He is also responsible for the oversight of all traditional human resources functions.

Robert W. Lloyd

Mr. Lloyd has served as our General Counsel since 2009 and as Executive Vice President and Corporate Secretary since 2014. He previously served as Vice President from 2006 to 2014, Chief Litigation Officer from 2006 until 2009 and as Assistant General Counsel from 2001 until 2006. Prior to that, he worked as sales manager and marketing manager, respectively, in our Daytona Beach, Florida retail office. While working in a sales role, Mr. Lloyd qualified for the Company's top producer honors (Tangle B) in 2001 and earned his Certified Insurance Counselor (CIC) designation. Before joining us, Mr. Lloyd practiced law and served as outside counsel to the Company with the law firm of Cobb & Cole, P.A. in Daytona Beach, Florida. Mr. Lloyd is a Rotarian and a member of the Executive Board of the Central Florida Council, Boy Scouts of America. In 2015, Mr. Lloyd was appointed as an independent director of Raydon Corporation, a private company based in Port Orange, Florida.

J. Scott Penny

Mr. Penny has been our Chief Acquisitions Officer since 2011, and he serves as director and as an executive officer for several of our subsidiaries. He served as a Regional President from 2010 to 2014 and Regional Executive Vice President from 2002 to July 2010. From 1999 until January 2003, Mr. Penny served as profit center leader of our Indianapolis, Indiana retail office. Prior to that, Mr. Penny served as profit center leader of our Jacksonville, Florida retail office from 1997 to 1999. From 1989 to 1997, Mr. Penny was employed as an account executive and marketing representative in our Daytona Beach, Florida office.

Anthony T. Strianese

Mr. Strianese has served as President of our Wholesale Brokerage Division since 2014. He served as Regional President from 2012 to 2014 and Regional Executive Vice President from July 2007 to January 2012, and serves as director and as an executive officer for several of our subsidiaries. Mr. Strianese's responsibilities for our Wholesale Brokerage Division include oversight of the operations of Peachtree Special Risk Brokers, LLC, Hull & Company, Inc., ECC Insurance Brokers, Inc., MacDuff Underwriters, Inc. and Decus Insurance Brokers Limited, which commenced operations in 2008 in London, England. Additionally, Mr. Strianese is responsible for certain of our public entity operations located in Georgia, Texas and Virginia. Mr. Strianese joined Brown & Brown in January 2000 and helped form Peachtree Special Risk Brokers. Prior to joining us, he held leadership positions with The Home Insurance Company and Tri-City Brokers in New York City.

Chris L. Walker

Mr. Walker was appointed President of our National Programs Division in 2014. He served as Regional Executive Vice President from 2012 to 2014. Mr. Walker is responsible for our Programs Division. He has also served as Chief Executive Officer of Arrowhead since 2012. He has been involved with Arrowhead's business development strategies, product expansion, acquisitions and the overall operations and infrastructure since joining the organization in 2003. Prior to that, he served as Vice Chairman of Aon Re. Mr. Walker's insurance career began with the reinsurance intermediary E.W. Blanch Co., where he ultimately served as Chairman and CEO of E.W. Blanch Holdings. He previously served as Chairman of the Brokers and Reinsurance Markets Association.

R. Andrew Watts

Mr. Watts joined the Company as Executive Vice President and Treasurer in February 2014, and as Chief Financial Officer effective March 4, 2014. Prior to joining the Company, he had served as Global Head of Customer Administration for Thomson Reuters since 2011, and from 2008 to 2011, he acted as Chief Financial Officer for multiple segments within the Financial and Risk Division of Thomson Reuters. Prior to 2001, Mr. Watts was the Chief Financial Officer and Co-founder of Textera, an internet start-up company, and worked as a Senior Manager with PricewaterhouseCoopers for nine years. Mr. Watts is a Certified Public Accountant (CPA) and holds a Bachelor of Science degree from Illinois State University. He was previously the Chairman of the Board for Surfflight Theatre from January 2013 through February 2014 and served on that board from July 2012 until February 2014. He was previously the Chairman of the Board for Make-A-Wish Foundation of New Jersey from 2005 through 2007 and served on that board from 2000 through 2007.

Board and Board Committee Matters

During 2015, our Board of Directors held four regular meetings and four special meetings. The Board of Directors took action by unanimous written consent three times during 2015. Each incumbent director serving during 2015 attended at least 75% of the total number of Board meetings, and at least 75% of the total number of meetings of committees of which such director is a member, except that Timothy R.M. Main attended 62.5% of the total number of Board meetings during 2015. The Board expects, but does not require, directors, all of whom are director nominees, to attend the Annual Meeting of Shareholders. All members of the Board attended the 2015 Annual Meeting of Shareholders. The Board conducts executive sessions of non-management directors in connection with each regularly scheduled meeting of the Board. Our Lead Director, Wendell S. Reilly, presides over these executive sessions. The NYSE has adopted listing standards relating to director independence that require that directors satisfy certain "bright line" criteria to be deemed "independent," as that term is defined in the NYSE listing standards. The Board has applied these standards in affirmatively determining that certain of the Company's directors have no material relationship with the Company that would impair such directors' independence, as explained more fully below. As required by the NYSE listing standards, the Board considers all material relevant facts and circumstances known to it in making an independence determination, both from the standpoint of the director and from that of persons or organizations with which the director has an affiliation.

The Board has considered the independence in light of NYSE standards applied to each director nominee and to such nominees' immediate family members, and has affirmatively determined that the following 10 of the 12 director nominees have no material relationship with us other than service as a director, and are therefore independent: Samuel P. Bell, III; Hugh M. Brown; Bradley Currey, Jr.; Theodore J. Hoepner; James S. Hunt; Toni Jennings; Timothy R.M. Main; H. Palmer Proctor, Jr.; Wendell S. Reilly; and Chilton D. Varner. Among other things, the Board considered the relationships described below in "Certain Relationships and Related Transactions." In each case, the Board considered the fact that from time to time, in the ordinary course of business and on usual commercial terms, we and our subsidiaries may provide services in our capacities as insurance intermediaries to various directors of the Company, and to entities in which various directors of the Company have direct or indirect interests. In the case of Mr. Main, the

Board considered the fact that Evercore Partners, of which Mr. Main is a Senior Managing Director, consulted with the Company concerning certain potential acquisitions in 2013, and worked with the Company on certain financing transactions in 2014. The Board concluded that the relationship,

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and the compensation paid to Evercore Partners during 2014 with respect to services rendered to the Company, which in the aggregate comprises less than one percent of the revenue of the Company and less than one percent of the revenue of Evercore Partners, were not material. In the case of Messrs. Currey and Hoepner, the Board considered the fact that these two directors are investors in a bank holding company in which Messrs. Hyatt Brown and Powell Brown also are investors, in which a checking account with a balance of approximately \$3 million was maintained by the Company in 2015 and for which a subsidiary of the Company provides insurance services and concluded that the investment, which in the aggregate comprised less than five percent of the outstanding stock of the bank holding company, was not material.

Our Board of Directors has an Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee. The charters of each of these Board committees are available in the “Corporate Governance” section, under “Key Documents” on our website (www.bbinsurance.com) and are also available in print to any shareholder who requests a copy from the Corporate Secretary at 220 S. Ridgewood Ave., Daytona Beach, Florida 32114.

Audit Committee. The current members of the Audit Committee are James S. Hunt (Chair), Hugh M. Brown, Theodore J. Hoepner and Toni Jennings, each of whom is independent as defined in the NYSE listing standards. The duties of the Audit Committee are to recommend to the Board of Directors the selection of independent registered public accountants, to meet with our independent registered public accountants to review and discuss the scope and results of the annual audit, and to consider various accounting and auditing matters related to the Company, including our system of internal controls and financial management practices. The Audit Committee held four regular meetings and five special meetings during 2015, and includes at least one audit committee financial expert, James S. Hunt, among its members. The Audit Committee took no action by unanimous written consent during 2015.

Compensation Committee. The Compensation Committee currently consists of Toni Jennings (Chair), Samuel P. Bell, III, Theodore J. Hoepner, James S. Hunt and H. Palmer Proctor, Jr., each of whom is independent as defined in the NYSE listing standards. The Compensation Committee sets the base salary levels and bonuses for our Chief Executive Officer, and reviews and approves the salary levels and bonuses for our other executive officers, including the Named Executive Officers. See “Executive Compensation — Compensation Committee Report” and “Compensation Discussion and Analysis.” The Compensation Committee also reviews and makes recommendations with respect to our existing and proposed compensation plans, and is responsible for administering our 1990 Employee Stock Purchase Plan, our Performance Stock Plan, which was suspended in April 2010, our ISO Plan, which expired December 31, 2008, and our 2010 Stock Incentive Plan. The Compensation Committee is authorized by its charter to form and delegate authority to subcommittees when appropriate. The Compensation Committee held four regular meetings and five special meetings in 2015. The Compensation Committee took no action by unanimous written consent during 2015.

Beginning in 2013 and continuing through 2014 and early 2015, the Compensation Committee engaged Pearl Meyer & Partners (“PMP”), an independent outside compensation consulting firm, to assist with a review of the components, structure and design of compensation arrangements with our executive officers and other key employees to ensure that such compensation continues to be competitive and aligned with shareholder interests. The Compensation Committee considers PMP to be independent because PMP performed no services for the Company’s management unrelated to services performed for the Compensation Committee, and there was no conflict of interest raised as a result of any work performed by PMP, directly or indirectly, for the Compensation Committee during fiscal 2013, 2014 or 2015. In August 2015, the Compensation Committee engaged Frederic W. Cook & Co., Inc. (“FWC”), an independent outside compensation consulting firm, to assist with a review of the components, structure and design of the long-term equity incentive arrangements with our executive officers and other key employees. The primary goal of this engagement was to help design long-term equity incentive arrangements that continue to be competitive and aligned with shareholder interests. The Compensation Committee considers FWC to be independent because FWC performed no services for the Company’s management unrelated to services performed for the Compensation Committee and there was no conflict of interest raised as a result of any work performed by FWC, directly or indirectly, for the Compensation Committee during fiscal year 2015.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee currently consists of Wendell S. Reilly (Chair), Hugh M. Brown, Bradley Currey, Jr. and Chilton D. Varner, each of whom is independent as defined in the NYSE listing standards. This Committee’s duties include responsibilities associated with

corporate governance, as well as the nomination of persons to stand for election to the Board at our Annual Meeting of Shareholders and recommendation of nominees to the Board of Directors to fill vacancies on, or as additions to, the Board. The Nominating/ Corporate Governance Committee held four regular meetings and one special meeting in 2015. The Nominating/Corporate Governance Committee took no action by unanimous written consent during 2015.

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The Nominating/Corporate Governance Committee will consider director nominations that are submitted in writing by shareholders in accordance with our procedures for shareholder proposals. See “Proposals of Shareholders” below. Such proposals must contain all information with respect to such proposed candidate as required by the SEC’s proxy rules, must address the manner in which the proposed candidate meets the criteria described below, and must be accompanied by the consent of such proposed candidate to serve as a director, if elected. The Nominating/Corporate Governance Committee has not established “minimum qualifications” for director nominees, because it is the view of the Nominating/Corporate Governance Committee that the establishment of rigid “minimum qualifications” might preclude the consideration of otherwise desirable candidates for election to the Board. The Nominating/Corporate Governance Committee will evaluate director candidates based on a number of factors, including: (a) the need or desirability of maintaining or expanding the size of the Board; (b) independence; (c) credentials, including, without limitation, business experience, experience within the insurance industry, educational background, professional training, designations and certifications; (d) interest in, and willingness to serve on, the Board; (e) ability to contribute by way of participation as a member of Board committees; (f) financial expertise and sophistication; (g) basic understanding of the Company’s principal operational and financial objectives, plans and strategies, results of operations and financial condition, and relative standing in relation to the Company’s competitors; and (h) willingness to commit requisite time and attention to Board service, including preparation for and attendance at regular quarterly meetings, special meetings, committee meetings and periodic Board “retreats” and director education programs. With respect to diversity, while no formal policy has been proposed or adopted, heterogeneity of points of view, background, experience, credentials, gender and ethnicity are considered desirable, and characterize the current composition of our Board.

The Nominating/Corporate Governance Committee and the Board consider a variety of sources when identifying individuals as potential Board members, including other enterprises with which current Board members are or have previously been involved and through which they have become acquainted with qualified candidates. The Company does not pay any third party a fee to assist in the identification or evaluation of candidates.

The Nominating/Corporate Governance Committee has nominated those twelve (12) persons named in “Proposal 1 — Election of Directors” below to stand for election to the Board of Directors at the 2016 Annual Meeting of Shareholders.

Majority Voting for Directors

In February 2012, the Board amended our Bylaws to change the voting standard for the election of our directors in uncontested elections from a plurality standard to a majority voting standard. In contested director elections, the plurality standard will apply, which means the nominees receiving the greatest numbers of votes will be elected to serve as directors.

To be elected in an uncontested election, the votes “FOR” a director must exceed 50% of the votes actually cast with respect to the director’s election. Votes actually cast include votes where the authority to cast a vote for the director’s election is explicitly withheld and exclude abstentions with respect to that director’s election, so abstentions and any broker non-votes will have no effect on the election of directors. If an incumbent director does not receive more than 50% of the votes actually cast with respect to such director’s election, and no successor has been elected at the meeting, such director shall promptly tender his or her conditional resignation following certification of the vote. The Nominating/Corporate Governance Committee shall consider the resignation offer and recommend to the Board whether to accept such offer, and the Board will endeavor to act on the recommendation within 90 days. Thereafter, the Board will promptly disclose its decision concerning whether to accept the director’s resignation offer (and, if applicable, the reasons for rejecting the offer) in a Report on Form 8-K or a press release. If the Board does not accept the resignation, the director will continue to serve until the next annual meeting and until a successor has been elected and qualified or until such director’s earlier death, resignation or removal. If the Board accepts the resignation, then the Board, in its discretion, may fill any resulting vacancy or may decrease the size of the Board.

The election of directors at the Meeting is an uncontested election and thus the majority voting standard applies.

Board Leadership

Our Board has the flexibility to determine whether the roles of Chairman of the Board and Chief Executive Officer should be separated or combined. The Board makes this decision based on its evaluation of the circumstances and the specific needs of the Company. Mr. Hyatt Brown, who retired from the position of Chief Executive Officer in 2009, continues to serve as Chairman of the Board, while Mr. Powell Brown serves as Chief Executive Officer.

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We believe that our leadership structure is desirable because it allows Mr. Powell Brown to focus his efforts on running our business and managing the Company in the best interests of our shareholders, while we continue to realize the benefits of Mr. Hyatt Brown's extensive business and industry experience, knowledge of our company, current and past service on boards of other publicly traded companies and proven leadership ability.

Risk Oversight

Our business involves assisting our customers with issues related to risk, and we believe that the insight gained from this activity helps us to more effectively manage our risks. Our leadership is aware that risks are associated with all enterprises, and that varying degrees of risk are acceptable, and indeed desirable, in different endeavors.

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board and its Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee receive regular reports from members of senior management on areas of material risk to the Company, including operational, financial, strategic, technological, competitive, reputational, legal and regulatory risks. The Board believes that risk oversight is a responsibility of the entire Board, and it does not look to any individual director or committee to lead it in discharging this responsibility.

At the committee level, our Audit Committee regularly reviews our financial statements, and our financial and other internal controls. Our Compensation Committee regularly reviews our executive compensation policies and practices, and employee benefits, and the risks associated with each. Our Nominating/Corporate Governance Committee considers issues associated with the independence of our Board, corporate governance and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

Further, our Financial Operations Review Team is responsible for the performance of the internal audit function and for monitoring compliance with policies and procedures relating to our financials, control environment, data security and selected general information technology controls. Our Insurance Operations Review Team is responsible for the day-to-day monitoring of our operational internal controls. Our Team Resources Review Team monitors compliance with internal guidelines and state and federal employment law requirements relating to compensation and human resources, regularly assess risks and potential risks associated with our operations. These departments support the integration of our acquisitions and report to our Audit Committee on a quarterly basis, unless more frequent reports are necessary.

Additionally, our independent registered public accountants regularly identify and discuss with our Audit Committee risks and related mitigation measures that may arise during their regular reviews of the Company's financial statements, audit work and executive compensation policies and practices, as applicable.

Our General Counsel is primarily responsible for enterprise risk management for the Company. On a quarterly basis, our General Counsel presents an enterprise risk management analysis to our Board of Directors, which includes an assessment of overall risk, risk mitigation and elimination priorities, anonymous ethics hotline reports and claims liabilities. Also, our Chief Executive Officer and General Counsel annually deliver a detailed presentation to our Board of Directors about risks associated with our business. This presentation includes extensive discussion, analysis and categorization of risks with respect to likelihood of occurrence, severity and frequency, as well as consideration of mitigating factors that contribute to lessening the potential adverse consequences associated with such risks (which can never, in any business, be fully eliminated). This presentation is prepared with input from the Company's executive officers, including our division leaders.

We believe that our compensation policies and principles in conjunction with our internal oversight of those policies and principles reduce the possibility of imprudent risk-taking. We further believe that the Board's approach to risk oversight, as described above, helps assess various risks, make informed decisions, and value emerging risks in a proactive manner for the Company. We do not believe that our compensation policies and principles are reasonably likely to have a material adverse effect on the Company.

Corporate Governance Principles; Code of Business Conduct and Ethics; Code of Ethics for Chief Executive Officer and Senior Financial Officers

The Board of Directors has adopted Corporate Governance Principles, a Code of Business Conduct and Ethics, and a Code of Ethics for Chief Executive Officer and Senior Financial Officers, the full text of each of which can be found in the “Corporate Governance” section, under “Key Documents” on our website (www.bbinsurance.com), and each of which is available in print to any shareholder who requests a copy by writing our Corporate Secretary at 220 S. Ridgewood Ave., Daytona Beach, Florida 32114.

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Communication with Directors

Interested parties, including shareholders, may communicate with our Board of Directors, with specified members or committees of our Board, with non-management directors as a group or with the Lead Director of the non-management directors, Wendell S. Reilly, by sending correspondence to our Corporate Secretary at 220 S. Ridgewood Ave., Daytona Beach, Florida 32114, and specifying in such correspondence that the message is for our Board or for one or more of its members or committees. Communications will be relayed to directors no later than the next regularly scheduled quarterly meeting of the Board and Board Committees.

Compensation of Directors

During 2015, directors who are not employees of ours were paid an annual retainer of \$80,000, payable in quarterly installments. If the total number of meetings during the year would have exceeded 12, each director would have been paid an additional \$1,500 for each meeting attended by such director in excess of 12. In addition, the Chair of the Audit Committee was paid \$5,000 in April 2015 and the Chairpersons of the Compensation, Nominating/Corporate Governance and Acquisition Committees each received \$3,000 in April 2015 for services associated with those offices. Also, each director who is not an employee of ours received in January 2015 a grant of \$50,000 worth of shares of our common stock under our SIP, valued as of the close of business on the last business day before the regular January meeting of the Compensation Committee as additional compensation for such director's services. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with meetings of the Board. No director who is an employee of ours receives separate compensation for services rendered as a director. The following table sets forth cash and other compensation earned during 2015 by directors who are not Named Executive Officers.

2015 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Samuel P. Bell, III	80,000	49,973	—	129,973
Hugh M. Brown	80,000	49,973	—	129,973
J. Hyatt Brown	—	—	213,068(1)	213,068
Bradley Currey, Jr.	80,000	49,973	—	129,973
Theodore J. Hoepner	80,000	49,973	—	129,973
James S. Hunt	85,000	49,973	—	134,973
Toni Jennings	83,000	49,973	—	132,973
Timothy R.M. Main	80,000	49,973	—	129,973
H. Palmer Proctor, Jr.	83,000	49,973	—	132,973
Wendell S. Reilly	83,000	49,973	—	132,973
Chilton D. Varner	80,000	49,973	—	129,973

(1)

Mr. Hyatt Brown received compensation of \$213,068, consisting of \$180,000 for services rendered to the Company in 2015, including assistance with acquisitions and recruitment, \$7,380 in matching and profit-sharing contributions made by the Company to his 401(k) Plan account, \$23,357 for reimbursement of amounts earned by the Company for personal lines insurance he purchased through the Company or its subsidiaries, and \$2,331 for the cost of certain club membership dues.

Hedging and Pledging Policies; Stock Ownership Requirements; Clawback Policy

The Board has adopted policies prohibiting the “hedging” of our stock by directors, executive officers, and other members of our Senior Leadership Team and prohibiting the pledging of our stock by directors, as well prohibiting the pledging of our stock held pursuant to our stock ownership requirements by our executive officers and other members of our Senior Leadership Team. Our stock ownership requirements provide that members of the Company’s Senior Leadership Team must accumulate Company stock in the following specified amounts within three years of hire or promotion, and retain such stock until retirement, separation from employment, or removal from one of the categories set forth below:

Chief Executive Officer — six times base salary

Senior Leadership Team members who are “officers” pursuant to Section 16 of the Securities Exchange Act of 1934 — three times base salary

Senior Leadership Team members who are not “officers” pursuant to Section 16 of the Securities Exchange Act of 1934 — one times base salary

In May 2015, the Board adopted a policy that provides for the clawback of certain performance-based compensation in the event of a restatement of the Company’s financial results, other than a restatement caused by a change in applicable accounting rules or interpretations. Under the new policy, if any performance-based equity or non-equity compensation paid to a current or former officer of the Company in the three years prior to the date of restatement would have been a lower amount had it been calculated based on the restated results, the Board’s Compensation Committee will evaluate recovery of such performance-based equity or non-equity compensation. If a recovery is determined to be appropriate, then the Compensation Committee will seek to recover, for the benefit of the Company and to the extent permitted by applicable law, the after-tax portion of the difference between the previously awarded compensation and the recalculated compensation.

In determining whether to seek recovery under the Company’s clawback policy, the Compensation Committee will take into account such considerations as it deems appropriate, including, without limitation, whether the assertion of a claim may violate applicable law or prejudice the interests of the Company in any related proceeding or investigation, and the likelihood of success under applicable law.

Related Party Transactions Policy

“Related Party Transactions” are transactions in which the Company is a participant, the amount involved exceeds \$120,000 when all such transactions are aggregated with respect to an individual, and a “related party” had, has or will have a direct or indirect material interest. “Related parties” are our directors (including any nominees for election as directors), our executive officers, any shareholder who beneficially owns more than five percent (5%) of our outstanding common stock, and any firm, corporation, charitable organization or other entity in which any of the persons listed above is an officer, general partner or principal or in a similar position or in which the person has a beneficial ownership interest of ten percent (10%) or more. Under our Related Party Transactions Policy (the “Policy”), our General Counsel (or our Chief Executive Officer if the related party is our General Counsel or an immediate family member of our General Counsel) will review any potential Related Party Transaction to determine if it is subject to the Policy. If so, the transaction will be referred to the Nominating/Corporate Governance Committee for approval or ratification. If, however, the General Counsel determines that it is not practical to wait until the next meeting of the Nominating/Corporate Governance Committee, the Chair of the Nominating/Corporate Governance Committee shall have the authority to act on behalf of the Nominating/Corporate Governance Committee on whether to approve or ratify a Related Party Transaction (unless the Chair of the Nominating/ Corporate Governance Committee is a Related Party in the Related Party Transaction). In determining whether to approve or ratify a Related

Party Transaction, the Nominating/Corporate Governance Committee (or, as applicable, the Chair of the Nominating/Corporate Governance Committee) will consider, among other things, the benefits of the transaction to the Company, the potential effect of entering into the transaction on a director's independence, the availability of other sources for the products or services, the terms of the transaction and the terms available to unrelated third parties generally. The Nominating/Corporate Governance Committee has authority to administer the Policy and to amend it as appropriate from time to time.

Certain Relationships and Related Transactions

J. Hyatt Brown, who is one of our directors and the father of J. Powell Brown, received compensation of \$213,068, consisting of \$180,000 for services rendered to the Company in 2015, including assistance with acquisitions and

recruitment, \$7,380 in matching and profit-sharing contributions made by the Company to his 401(k) Plan account, \$23,357 for reimbursement of amounts earned by the Company for personal lines insurance he purchased through the Company or its subsidiaries, and \$2,331 for the cost of certain club membership dues. Mr. Hyatt Brown serves as Chairman of the Board of the Company.

P. Barrett Brown, who is the son of Mr. Hyatt Brown and the brother of Mr. Powell Brown, serves as Senior Vice President of the Company and as a Regional President of the Company's Retail Division, and is responsible for oversight of various Retail Division operations and certain aspects of "Brown & Brown University," a training program offering technical and sales courses for new producers, profit center leaders, and other groups within our organization. He received compensation of \$857,075, including relocation expenses totaling \$21,475, for services rendered in 2015, as well as a grant under our SIP in March 2016 with value of \$599,975. In connection with his promotion and relocation in 2014, Mr. Barrett Brown received a loan of \$500,000 from the Company in November 2014, which is subject to the terms of a Promissory Note providing that the principal and interest amounts of such loan are forgivable in increments of one-seventh each year, so long as Mr. Barrett Brown remains employed by the Company and/or its affiliates. Mr. Barrett Brown is not an executive officer of the Company.

Carrie Brown, who is married to P. Barrett Brown, was employed by us as Corporate Counsel and received compensation of \$278,643 for services rendered in 2015. Pursuant to a Transition Agreement, dated as of January 19, 2016, between Ms. Brown and the Company, Ms. Brown's employment with the Company terminated on January 31, 2016. Effective February 1, 2016, Ms. Brown entered into a Consulting Agreement (the "Consulting Agreement") with the Company to provide legal services to the Company as an independent contractor for a term of one year. Pursuant to the Consulting Agreement, the Company will pay Ms. Brown a monthly retainer fee of \$15,035, against which an hourly rate of \$250 will apply for services provided to the Company. In any month in which the monthly retainer fee is exhausted, any work conducted in excess of the retainer will be billed at an hourly rate not to exceed \$150.

Zambezi, LLC ("Zambezi"), a Florida limited liability company whose Members and Managers are J. Hyatt Brown and his wife, Cici Brown, owns a Cessna Citation Sovereign aircraft (the "Aircraft"), which the Company leases pursuant to an Aircraft Dry Lease Agreement (the "Agreement") with Zambezi. In 2015, the Company paid Zambezi \$109,484 under the Agreement to lease the Aircraft. Pursuant to the Agreement, subject to availability of the Aircraft and other specified conditions, Mr. Hyatt Brown has the right to use the Aircraft for personal use subject to reimbursement paid to the Company at the maximum rate permitted by law. Mr. Hyatt Brown paid \$163,272 to the Company for such personal use of the Aircraft in 2015. The Company and Zambezi also are party to an Airside Sub-Lease Agreement and Services Agreement, pursuant to which Zambezi leases hangar space from the Company and pursuant to which pilots and mechanics employed by the Company are available to pilot and service the Aircraft as provided therein. In 2015, Zambezi paid the Company \$19,170 for the lease of hangar space for the Aircraft, and \$56,280 for the services of pilots and mechanics employed by the Company and for parts, equipment, and supplies related to the Aircraft's maintenance and operation.

Richard A. Freebourn, Jr., who is the son of Richard A. Freebourn, Sr., is employed by us as an insurance sales executive (i.e., a "producer") in the Lisle, Illinois office of Brown & Brown of Illinois, Inc., one of our Retail Division subsidiaries, and received compensation of \$262,261 for services rendered in 2015, as well as a grant under our SIP in March 2016 with value of \$49,977.

Hugh M. Brown is a member of the Advisory Board of Directors of SunTrust Bank of Orlando, and during 2015, Robert W. Lloyd served as a member of the Advisory Board of SunTrust Bank/East Central Florida. SunTrust is one of the banks involved in the financing facility memorialized in a credit agreement in the amount of \$1,350 million entered into in April 2014. SunTrust also acts as escrow agent with respect to accounts related to certain acquisitions we have made. We expect to continue to use SunTrust during 2016 for a portion of our cash management requirements. Three of our subsidiaries provide insurance-related services to subsidiaries of SunTrust, and a number of our offices facilitate access for our clients to premium financing services offered by a subsidiary of SunTrust. Payments made to, and received from, SunTrust in 2015 totaled less than one percent of our or SunTrust's total consolidated revenues.

Chris L. Walker was a shareholder and employee of Arrowhead General Insurance Agency Superholding Corporation ("Arrowhead") prior to the Company's acquisition of Arrowhead in 2012. In connection with the acquisition, certain shareholder employees of Arrowhead at the time of the acquisition (the "Earn-Out Equityholders"), including

Mr. Walker, were eligible to receive contingent earn-out payments of \$5 million on a pro rata basis, in accordance with their respective ownership interests. This represented a “holdback” from the purchase price amount otherwise payable to the Earn-Out Equityholders based upon their respective ownership interests in Arrowhead, rather than an additional amount over and above the purchase price payments to which the shareholders were entitled based on their ownership interests. In February 2015, the Company made an earn-out payment of \$2.5 million to the Earn-Out Equityholders, of which amount

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Mr. Walker received \$1,181,152. The Company will either pay to the Earn-Out Equityholders, or otherwise retain, the remaining \$2.5 million earn-out payment, pending resolution of an indemnification claim it has asserted in connection with the Arrowhead acquisition. Mr. Walker presently serves as an Executive Vice President of the Company and the President of the National Programs Division.

For additional information concerning transactions with related persons, see “Executive Compensation — Compensation Committee Interlocks and Insider Participation.”

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers, and persons who own more than ten percent (10%) of our outstanding shares of common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Directors, executive officers and 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of such reports and written representations from reporting persons, we believe that during 2015, our directors, officers and 10% beneficial owners timely complied with all applicable filing requirements, with the following exceptions: Anthony T. Strianese, Executive Vice President and President — Wholesale Brokerage Division, was three days late reporting a transaction effective June 4, 2015, and three days late reporting a transaction involving automatic annual vesting of a portion of an equity grant that was effective February 22, 2015; and Richard A. Freebourn, Sr., Executive Vice President — Internal Operations and People Officer, was late reporting transactions effective June 13, 2015, May 18, 2015, July 24, 2015, November 30, 2015 and November 26, 2014, respectively, in connection with the sale of shares by an irrevocable trust of which Mr. Freebourn is a co-trustee.

COMPENSATION DISCUSSION AND ANALYSIS

Our overall compensation philosophy is as follows:

Attract and retain high-quality people that are crucial to both the short-term and long-term success of the Company;

Compensate for performance linked to our strategic objectives through the use of incentive compensation programs; and

Create a mutuality of interest between our executive officers and shareholders through compensation structures that promote the sharing of the rewards and risks of strategic decision-making.

Our compensation system is designed to drive results and has traditionally been tied to increases in net income, pre-tax earnings, organic revenue growth, earnings per share and our stock price. We seek to provide an executive compensation package that is driven by our overall financial performance, increases in shareholder value, the success of the business divisions that are directly impacted by the executive's performance and the performance of the individual executive.

We strive to provide a combination of pay elements with the goal of aligning executive incentives with shareholder value. Our executive compensation program includes both short- and long-term compensation, with an emphasis on compensation that is tied to corporate financial performance and stock price performance. Historically, in the case of our PSP and the bulk of awards under our SIP, stock price appreciation and growth in our earnings per share, respectively, have been fundamental to the realization of an equity compensation benefit. In early 2016, the Compensation Committee approved certain modifications to our executive compensation program applicable to new SIP awards granted in 2016, including the performance criteria and other vesting conditions. For additional information regarding the changes to our SIP award program in 2016, please refer to the section captioned "2016 SIP Awards" below.

In this section, we discuss certain aspects of our compensation program as it pertains to our principal executive officer, our principal financial officer, our three other most highly-compensated executive officers in 2015, and Charles H. Lydecker, who served as an executive officer in 2015 until the Company's realignment of its Retail Division, of which Mr. Lydecker presently serves as a Regional President, as of September 16, 2015 (collectively, the "Named Executive Officers"). Our discussion focuses primarily on compensation and practices relating to our most recently completed fiscal year.

Compensation Components

Our compensation philosophy is reflected in the following short-term and long-term compensation components:

Pay Element	Role in Compensation Program	How Amounts Are Determined
Base salary	<ul style="list-style-type: none"> • Provide competitive levels of compensation to our executive officers based on scope of responsibility and duties 	<ul style="list-style-type: none"> • Based on a wide range of factors, including business results, individual performance and comparative market assessments
	<ul style="list-style-type: none"> • Provide a basic level of compensation 	
	<ul style="list-style-type: none"> • Recruit and retain executive officers 	
Annual cash incentives and bonuses	<ul style="list-style-type: none"> • Align executive officers with annual goals and objectives 	<ul style="list-style-type: none"> • Actual payout based upon a combination of Company and/or divisional performance and achievement of personal performance objectives
	<ul style="list-style-type: none"> • Create a direct link between pay and financial and operational performance 	<ul style="list-style-type: none"> • Additional discretionary bonus available as determined by Chief Executive Officer, subject to the approval of Compensation Committee, or, in the case of Chief Executive Officer, as determined by Compensation Committee
Long-term equity incentive awards	<ul style="list-style-type: none"> • Reward effective long-term management decision-making 	<ul style="list-style-type: none"> • Award amount determined based upon a blend of quantitative goals and consideration of personal factors
	<ul style="list-style-type: none"> • Focus attention on future returns to shareholders 	<ul style="list-style-type: none"> • Actual value realized based upon the Company's performance over measurement and vesting periods
	<ul style="list-style-type: none"> • Retain executive officers who have the potential to impact both our short-term and long-term profitability 	
	<ul style="list-style-type: none"> • Recognize and reward specific achievements and/or the previous 	

year's performance

Comparative Market Assessment

The Compensation Committee does not target compensation decisions or levels to any specific percentiles or other absolute measures related to comparison group data, but does periodically review the pay practices of other companies with the goal of ensuring that the Company's executive compensation program remains competitive. In April 2013, as part of an engagement that began in 2013 and concluded in 2015, PMP, an independent outside compensation consulting firm retained by the Compensation Committee, conducted a comprehensive analysis of the Company's pay practices and executive compensation levels as compared to a group of publicly held insurance intermediaries, publicly traded insurance carriers and surveys, as described below.

Proxy Comparison Group

This group was focused on our direct competitors for executive talent rather than companies of comparable size. The members of this group were selected from insurance intermediaries and carriers in the insurance industry.

The other insurance intermediaries for which compensation data was publicly available — Aon plc, Arthur J. Gallagher & Co, Marsh & McLennan Companies Inc. and Willis Group Holdings PLC — compete with us the most directly for talent.

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However, these publicly traded insurance intermediaries are significantly larger than we are in total assets, total revenue and market capitalization. Because of these differences in size, PMP also reviewed the compensation practices of 11 publicly traded insurance carriers to supplement the data it considered for the study. The proxy comparison group was as follows:

The Allstate Corp.	Carrier
American Financial Group Inc.	Carrier
Aon plc	Intermediary
Arthur J. Gallagher & Co.	Intermediary
Arch Capital Group Ltd.	Carrier
AXIS CAPITAL Holdings Ltd.	Carrier
Berkley (WR) Corp.	Carrier
Chubb Corp.	Carrier
Cincinnati Financial Corp.	Carrier
CNA Financial Corp.	Carrier
Hartford Financial Services Group Inc.	Carrier
Marsh & McLennan Companies Inc.	Intermediary
The Progressive Corp.	Carrier
The Travelers Companies Inc.	Carrier
Willis Group Holdings PLC	Intermediary

Survey Comparison Group

As part of PMP's engagement, the Compensation Committee reviewed and considered data from two published surveys: (i) the Executive Compensation Survey conducted by Mercer, and (ii) the Top Management Industry Compensation Survey conducted by Towers Watson. PMP's analysis also included the results of two other confidential surveys from the financial services industry.

Results of the Comparative Market Assessment

Based upon the results of PMP's analysis, the Compensation Committee concluded that, among other things, the overall compensation paid to the Company's executive officers was generally below the amounts offered by the proxy comparison group, particularly the Company's insurance intermediary peers, but was more competitively positioned versus the survey comparison data. The Compensation Committee noted that the annual salaries for certain executive officers were below the median for both the proxy comparison group and the survey comparison data. In order to ensure that Mr. Powell Brown's compensation remains competitive with that of chief executive officers of other publicly held insurance intermediaries and similarly sized companies, in 2013, the Compensation Committee determined, based upon the recommendation of PMP, to effectuate a two-step plan to increase Mr. Powell Brown's base salary in 2014 and 2015. For additional information concerning compensation determinations for the Chief Executive Officer, please refer to the section captioned "CEO Compensation" below.

2015 Compensation

Consideration of Last Year's "Say-On-Pay" Vote

In accordance with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), we provided our shareholders with the opportunity to vote at our May 2014 and our May 2015 annual meetings to approve, on a nonbinding, advisory basis, the compensation for our fiscal year 2013 and 2014, respectively, of named executive officers. In both 2014 and 2015, our shareholders voted to approve this compensation by a significant margin.

When we developed our 2015 compensation policies in January 2015, last year's "say-on-pay" vote, which occurred in May 2015, had not yet occurred, and therefore, we could not consider the results in determining our January 2015 executive compensation decisions and policies. We did, however consider the results of the May 2014 vote in

determining our January 2015 executive compensation decisions and policies. Because of, among other things (including, but not limited to, currently applicable regulatory requirements, market considerations, and company and individual performance), the favorable May 2014 and May 2015 “say-on-pay” votes, we continued certain of our January 2014 and 2015 executive compensation policies in January 2016.

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2015 Base Salaries

In January 2015, the Compensation Committee did not increase the 2015 base salaries for the Named Executive Officers, other than for Mr. Powell Brown, whose base salary for 2015 increased to \$1,000,000, and for Mr. Walker, whose base salary for 2015 increased to \$500,000. The increase to Mr. Powell Brown's base salary was the second step of a two-step plan to effectuate an upward compensation adjustment for Mr. Powell Brown recommended by the independent compensation consultant retained by the Compensation Committee, as approved by the Compensation Committee in 2013, with the goal of ensuring his compensation remains competitive with that of chief executive officers of other publicly held insurance intermediaries and similarly sized companies. For additional information concerning compensation determinations for the Chief Executive Officer, please refer to the section captioned "CEO Compensation" below. The decision to increase Mr. Walker's base salary was based upon his increased responsibilities resulting from his promotion from Regional Executive Vice President to Programs Division President during 2014. As described further in the section captioned "2016 Base Salaries" below, the base salaries for the Named Executive Officers did not increase for 2016.

2015 Annual Cash Incentives

Our annual cash incentives are designed to align executive officer compensation with our annual goals and objectives and to create a direct link between compensation and financial and operational performance. During the first quarter of each year, the Compensation Committee establishes the components, consisting of financial performance measures and personal objectives for each executive officer, including the relative weighting and thresholds, against which performance is measured and payouts are determined for such fiscal year.

Target Amounts. In January 2015, the Compensation Committee did not increase the 2015 target cash incentive amounts for the Named Executive Officers, other than for Mr. Powell Brown, whose target cash incentive amount for 2015 increased to \$1,400,000, and for Mr. Walker, whose target cash incentive amount for 2015 increased to \$800,000. The decision to increase Mr. Powell Brown's target cash incentive amount was based upon the performance of the Company as reflected by the increase in earnings per share in 2014 over 2013, without regard to the effect of change in acquisition earn-out payables and adjusted to exclude the net after-tax effect of those sales of offices that occurred during the fourth quarter of 2014. The decision to increase Mr. Walker's target cash incentive amount was based upon his increased responsibilities resulting from his promotion from Regional Executive Vice President to Programs Division President during 2014.

For 2015, the aggregate target cash incentive amounts were: for Mr. Powell Brown, \$1,400,000; for Mr. Watts, \$350,000; for Mr. Lydecker, \$1,000,000; for Mr. Penny, \$800,000; for Mr. Strianese, \$900,000 and for Mr. Walker, \$800,000. Payouts can range from 0% to 200% of the aggregate target cash incentive depending on financial performance of the Company or division, as applicable, and Named Executive Officer performance against personal objectives.

2015 Annual Cash Incentive Components. For 2015, the Compensation Committee selected the following components and weightings for the annual cash incentives for the Named Executive Officers:

Executive Officer	Financial Performance Measures		Personal Objectives	
	Weighting	Measure	Weighting	Measure
J. Powell Brown	40%	Company Organic Revenue growth(1)	40%	20%
R. Andrew Watts	40%	Company Organic Revenue growth	40%	20%
Charles H. Lydecker	40%	Retail Division Organic Revenue growth	40%	20%
			Earnings per share(2)	Personal objectives established for each Named Executive Officer(3)

J. Scott Penny	40%	Company Organic Revenue growth	40%	20%
Anthony T. Strianese	40%	Wholesale Brokerage Division Organic Revenue growth	40%	20%
Chris L. Walker	40%	National Programs Division Organic Revenue growth	40%	20%

(1)

“Organic Revenue” is total commissions and fees less (i) the first twelve months of net commission and fee revenues generated from acquisitions accounted for as purchases less (ii) profit-sharing contingent commissions (revenues from

insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year), less (iii) guaranteed supplemental commissions (commissions from insurance companies based solely upon the volume of the business placed with such companies during the current year), and less (iv) divested business (net commissions and fees generated from offices, books of business or niche businesses sold by the Company) with the associated revenue removed from the corresponding period of the prior year. See Annex A for additional information regarding organic revenue and organic revenue growth.

(2)

Earnings per share is calculated in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), except that the Compensation Committee may, at its discretion, adjust such calculations to exclude the effect of certain non-recurring items of gain or loss, including extraordinary items, the cumulative effect of accounting changes, acquisition earn-out liability adjustments, new accounting pronouncements, discontinued or sold operations, severance costs, share repurchases, asset impairment charges, and litigation. In January 2016, the Compensation Committee determined not to make any adjustment to the calculation of earnings per share under U.S. GAAP for the purposes of calculating the 2015 annual cash incentive amounts.

(3)

The personal objectives for each of our Named Executive Officers were approved by the Compensation Committee in March 2015.

The target amounts for each financial performance measure were reviewed and approved by the Compensation Committee in January 2015 and were based on our 2015 budget, which was approved by the Board in January 2015. At that time, the Compensation Committee determined that in order to further incentivize our executive officers to deploy our capital in the best interests of shareholders, including making internal investments, pursuing quality acquisitions and engaging in Board-approved repurchases of the Company's common stock, the target earnings per share amount was adjusted upwards from the underlying budget in order to foster prudent capital allocation to the benefit of shareholders during 2015.

For each financial performance measure, we make no payout for performance below the threshold. For 2015, the threshold for each of Company's Organic Revenue growth and earnings per share was 25% of target performance, and the threshold for each division's Organic Revenue growth was 20% of target performance. Payout percentages based on a percentage of target performance for each financial performance measure were calculated based on the following table:

Percentage of Target Performance	Company Organic Revenue Growth Payout Percentage	Division Organic Revenue Growth Payout Percentage	Earnings Per Share Payout Percentage
Below 20%	0%	0%	0%
20%	0%	15%	0%
25%	15%	20%	15%
35%	21%	31%	21%
50%	31%	50%	31%
65%	50%	69%	50%
75%	63%	80%	63%
80%	69%	83%	69%
85%	80%	87%	80%
90%	90%	90%	90%

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95%	95%	95%	95%
100%	100%	100%	100%
105%	105%	105%	105%
110%	110%	110%	100%
115%	120%	113%	120%
120%	131%	117%	131%
125%	137%	120%	137%
135%	150%	131%	150%
150%	169%	150%	169%
165%	179%	169%	179%
175%	185%	180%	185%
180%	188%	185%	188%
200% and above	200%	200%	200%

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Determination of 2015 Annual Cash Incentive Payouts. In January 2016 the Compensation Committee reviewed actual 2015 performance of each financial performance measure against the target performance for each such measure established in January 2015 as set forth in the following table:

Financial Performance Measure	Target	Actual	Percentage of Target Performance	Payout Percentage
Earnings Per Share	\$1.77	\$1.70	96%	75%
Company Organic Revenue Growth	4.2%	2.6%	62%	46%
Retail Division Organic Revenue Growth	2.9%	1.4%	48%	48%
Wholesale Brokerage Division Organic Revenue Growth	5.6%	5.9%	105%	105%
National Programs Division Organic Revenue Growth	5.1%	1.8%	35%	31%

With respect to the achievement of personal objectives by each of the Named Executive Officers, which accounts for 20% of the 2015 cash incentive amount, the Compensation Committee evaluated the level of achievement for each Named Executive Officer's personal objectives in January 2016. The evaluation for Mr. Powell Brown, our Chief Executive Officer, was made by the Compensation Committee. For the other Named Executive Officers, the Compensation Committee, after discussion, consideration and review, accepted without modification the recommendations as proposed by the Chief Executive Officer. The Compensation Committee evaluated the achievement of each Named Executive Officer's personal objectives in their totality instead of assigning a weight to each particular personal objective.

For Mr. Powell Brown, our Chief Executive Officer, the Compensation Committee considered his achievement of the following personal objectives during 2015: his identification and implementation of opportunities to leverage the full capabilities of the Company for the benefit of its customers; his implementation and leveraging of the Company's preferred purchasing program to deliver meaningful savings to the Company; his continued development and augmentation of the senior leadership team and maintenance of the core of the Company's culture; his contribution to the Company's evolving capital allocation to further increase shareholder returns; and his contribution to the Company's performance of its annual plan related to revenues, earnings per share and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 100%. For additional information concerning compensation determinations for the Chief Executive Officer, please refer to the section captioned "CEO Compensation," below.

For Mr. Watts, our Chief Financial Officer, the Compensation Committee considered his achievement of the following personal objectives during 2015: his continued contribution to the Company's evolving capital allocation and treasury management strategies to further increase shareholder returns; his implementation and leveraging of the preferred purchasing program to deliver meaningful savings to the Company; his development and implementation of a Company-wide technology plan; his further development of the finance leadership team and the Company's finance and technology talent; and his contribution to monitoring and helping drive delivery of the Company's performance of its annual plan related to revenues, earnings per share and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 100%.

For Mr. Lydecker, a Regional President of our Retail Division, the Compensation Committee considered his achievement of the following personal objectives during 2015: his implementation and leveraging of the preferred purchasing program to deliver meaningful savings to the Company; the growth of the employee benefits business in the Retail Division; the increased collaboration between the Company's Retail Division through the Company's Wholesale Brokerage and National Programs Divisions; his continued efforts to recruit, train and retain high-caliber talent across Retail Division network; and his contribution to the Retail Division's performance of its annual plan

related to revenues, pre-tax income and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 167%.

For Mr. Penny, our Chief Acquisitions Officer, the Compensation Committee considered his achievement of the following personal objectives during 2015: his agumentation of the current acquisition resource team; his efforts in targeting an acquisition in each of our Divisions; and his contribution to the Company's performance of its annual plan related to revenues, earnings per share and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 149%.

For Mr. Strianese, the President of our Wholesale Brokerage Division, the Compensation Committee considered his achievement of the following personal objectives during 2015: his implementation and leveraging of the preferred purchasing program to deliver meaningful savings to the Company; his further development of the Wholesale Brokerage Division's leadership team; his development of exclusive products for the Wholesale Brokerage Division; and

his contribution to the Wholesale Brokerage Division's performance of its annual plan related to revenues, pre-tax income and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 140%.

For Mr. Walker, the President of our National Programs Division, the Compensation Committee considered his achievement of the following personal objectives during 2015: his implementation and leveraging of the preferred purchasing program to deliver meaningful savings to the Company; his further development of the National Program Division's leadership team; his contribution to the evaluation, consolidation and expansion of the National Programs Division platform; his successfully onboarding and integration of the Wright business within the Company and the National Programs Division's platform; and his contribution to the National Program Division's performance of its annual plan related to revenues, pre-tax income and acquired revenues. Based on this performance, the Compensation Committee approved the personal objective portion of his 2015 cash incentive amount at 179%.

As illustrated in the table below, the final 2015 cash incentive amounts were calculated by combining the payout amounts for each of the components discussed above and, then, in some cases, rounding the resulting number up or down to the nearest thousand dollars:

Executive Officer	2015 Aggregate Target Cash Incentive Amount	Organic Revenue Growth Payout Amount	Earnings Per Share Payout Amount	Personal Objective Payout Amount	Total 2015 Cash Incentive Payout Amount	Payout vs. Target Cash Incentive Amount (%)
J. Powell Brown	\$ 1,400,000	\$ 257,600	\$ 420,000	\$ 280,000	\$ 958,000	68%
R. Andrew Watts	\$ 350,000	\$ 64,400	\$ 105,000	\$ 70,000	\$ 239,000	68%
Charles H. Lydecker	\$ 1,000,000	\$ 192,000	\$ 300,000	\$ 334,000	\$ 825,000	83%
J. Scott Penny	\$ 800,000	\$ 147,200	\$ 240,000	\$ 238,400	\$ 625,000	78%
Anthony T. Strianese	\$ 900,000	\$ 378,000	\$ 270,000	\$ 252,000	\$ 900,000	100%
Chris L. Walker	\$ 800,000	\$ 99,200	\$ 240,000	\$ 286,400	\$ 625,000	78%

The 2015 cash incentive payouts are also shown in the Summary Compensation Table under the "Non-Equity Incentive Plan Compensation" column.

While not exercised in 2015, the Compensation Committee expressly reserves the right, in its sole discretion, to reduce the annual cash incentive for any Named Executive Officer, or to pay no annual cash incentive at all, if the Company's performance is unexpectedly poor or if the intended recipient commits acts of malfeasance.

2015 Discretionary Bonuses

Each of the Named Executive Officers is eligible to receive an additional discretionary bonus upon such terms and conditions as might be determined by the Chief Executive Officer, subject to the approval of the Compensation Committee, or, in the case of the Chief Executive Officer, as might be determined by the Compensation Committee. None of our Named Executive Officers received a discretionary bonus for 2015.

2015 SIP Awards

In 2010, the Company adopted, and the shareholders approved, the SIP, including a sub-plan currently applicable only to Decus Insurance Brokers Limited, which, together with its parent company, Decus Holdings (UK) Limited, is our only United Kingdom-based subsidiary. Prior to the SIP's adoption, the only equity incentive plan under which grants could be made was the PSP. The SIP enables the Compensation Committee to make grants of options and stock appreciation rights, as well as performance-based and time-based restricted stock and restricted stock units, including grants with vesting conditions identical or similar to those associated with past PSP grants. Following the approval of the SIP by our shareholders, the PSP was suspended (provided that prior grants under the PSP would remain outstanding for the duration of their terms), and the number of shares available for issuance under the SIP became that number of shares that shareholders had previously approved for future issuance under the PSP, plus any granted PSP

or SIP shares forfeited thereafter.

We have historically used Performance-Triggered Stock Grants (“PTSGs”) to recognize and reward our executive officers’ specific achievements and/or performance during the previous year. In January 2015, the following Named Executive Officers received PTSGs under the SIP with a cliff vesting condition requiring five years of continuous employment from the date of grant, with the indicated grant-date fair values: Mr. Powell Brown — \$399,993, Mr. Lydecker — \$199,996,

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Mr. Penny — \$199,996, Mr. Strianese — \$324,998, Mr. Walker — \$199,996 and Mr. Watts — \$349,986. The Compensation Committee awarded these PTSGs to our Named Executive Officers based on the following performance factors:

With respect to Mr. Powell Brown, the organic revenue growth of the Company during 2014.

With respect to Messrs. Lydecker, Strianese and Walker, the organic revenue growth during 2014 of the division over which each such Named Executive Officer had oversight responsibility.

With respect to Mr. Penny, the organic revenue growth of the Company during 2014 and his individual performance related to certain key acquisitions and dispositions during 2014.

With respect to Mr. Watts, the organic revenue growth of the Company during 2014 and his exemplary individual performance during his first year of employment with the Company.

PTSG recipients in 2015 acquired voting and dividend rights with respect to the granted shares at the time of grant, but do not currently have the right to dispose of the shares, which are generally forfeited in the event that the grantee separates from employment with the Company within five years after the grant date.

CEO Compensation

Mr. Powell Brown's base salary increased in 2015 in recognition of the results of operations and acquisitions of the Company in 2014 and as the second step of a two-step plan to effectuate an upward compensation adjustment recommended by the independent compensation consultant retained by the Compensation Committee and approved by the Compensation Committee in an effort to ensure that Mr. Powell Brown's compensation remains competitive with that of chief executive officers of other publicly held insurance intermediaries and similarly sized companies. With respect to the 2015 target cash incentive amount approved for Mr. Powell Brown, the Compensation Committee considered his performance and the general operating performance of the Company. The performance criteria examined by the Compensation Committee included the annual Board evaluations of the performance of the Chief Executive Officer, which were completed with respect to Mr. Powell Brown for 2014, as well as the performance of the Company as reflected in the increase in earnings per share in 2014 over 2013, without regard to the effect of change in acquisition earn-out payables and adjusted to exclude the net after-tax effect of those sales of offices that occurred during the fourth quarter of 2014.

Mr. Powell Brown's 2015 base salary of \$1,000,000 represented an increase over his 2014 salary, and his 2015 target cash incentive amount increased to \$1,400,000 in recognition of the Company's performance as reflected in the increase in earnings per share in 2014 over 2013. The 2015 cash incentive amount for Mr. Powell Brown, which totaled \$958,000, was calculated as described in the section labeled "Annual Cash Incentives" above.

As described more fully in the section labeled "2015 SIP Awards" and the Summary Compensation Table, in January 2015, Mr. Powell Brown received a Performance-Triggered Stock Grant with a grant-date fair value of \$399,993 subject to a cliff vesting condition requiring five years of continuous employment from the date of grant. The Compensation Committee reported the salary amount approved for Mr. Powell Brown to the full Board of Directors in January 2015 and the final calculated 2015 cash incentive amount in January 2016.

2016 Compensation

As part of its ongoing evaluation of our executive officers' compensation and based, in part, on the recommendation of Frederic W. Cook & Co., Inc. ("FWC"), the independent outside consultant retained by the Compensation Committee to advise on matters pertaining to executive compensation, in early 2016, the Compensation Committee approved certain changes to our executive officers' compensation for 2016, including those described below.

2016 Base Salaries

In February 2016, the Compensation Committee determined not to increase the 2016 base salaries for the Named Executive Officers.

2016 Annual Cash Incentives

Following several months of review and consideration, in February 2016, the Compensation Committee approved a modification to consider EBITDAC Margin (as defined below), instead of the Company's earnings per share, as part of the methodology for calculating the annual cash incentives payable to the Company's executive officers. We believe the

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consideration of EBITDAC Margin as part of the 2016 annual cash incentives will better motivate our executive officers to not only drive organic revenue growth, but also leverage our revenues and thereby increase the Company's operating margins. This change is effective for the 2016 annual cash incentives payable to executive officers, which are expected to be calculated and paid in early 2017.

Under the newly adopted formulas, each executive officer's annual cash incentive payment amount will consist of three components (the calculation of which may be adjusted by the Compensation Committee, at its discretion, to exclude the effect of certain non-recurring items of gain or loss), which are outlined below.

The first component, which will affect 40% of the 2016 target cash incentive amount, is based on specified organic revenue growth targets, which, for executive officers whose responsibilities encompass the Company as a whole rather than being tied to a particular division, will be calculated based upon the organic revenue growth of the Company as a whole, and for executive officers with divisional operational responsibilities, will be calculated based upon the organic revenue growth of the division for which each such executive officer has oversight responsibility.

The second component, which will affect 40% of the 2016 target cash incentive amount, will be determined based upon performance of the Company's EBITDAC margin ("EBITDAC Margin"), which is the Company's income before income taxes, plus amortization, depreciation, interest, and the change in estimated acquisition earn-out payables, divided by total revenues, adjusted to exclude any gains or losses on sales of books of business.

The third component, which will affect 20% of the 2016 target cash incentive amount, will be linked to the achievement of personal objectives of the executive officer as approved in early 2016 by the Compensation Committee.

Each of the components described above contemplates a minimum payout of 0% of each named executive officer's target cash incentive amount and a maximum payout of 200% of each named executive officer's target cash incentive amount. The target cash incentive amounts and related measurement metrics for our Named Executive Officers were reviewed and approved by the Compensation Committee in February 2016 as part of our annual planning process.

2016 SIP Awards

In August 2015, the Compensation Committee engaged FWC to assist with a review of the components, structure and design of the long-term equity incentive arrangements with our executive officers and other key employees. This engagement was the second step of a two-step process, which began in 2014 with the redesign of our annual cash incentive program, to further align executive compensation with shareholder value. The primary goal of FWC's engagement was to ensure that such long-term equity incentive arrangements continue to be competitive and aligned with shareholder interests. As a result of this review, an in-depth evaluation and consideration of many factors, and based upon the recommendations of FWC, in early 2016 the Compensation Committee approved certain modifications to the design of our long-term equity incentive program, which are effective for those SIP awards granted to our executive officers and other key employees in March 2016. These changes include the following:

In general, 75% of the shares (based upon the grant-date fair value) comprising each new SIP award will be tied to vesting criteria that are both performance and time based (each, a "Performance Stock Award" or "PSA"), and 25% of the shares (based upon the grant-date fair value) of each new SIP award will be tied to vesting criteria that are exclusively time based (each, a "Restricted Stock Award" or "RSA"). Each PSA will be granted pursuant to the Company's standard Performance Stock Award Agreement, and each RSA will be granted pursuant to the Company's standard Restricted Stock Award Agreement. We believe that tying a majority of our equity awards to pre-established corporate financial objectives that drive shareholder return more closely aligns the long-term interests of our executive officers and our shareholders.

PSA shares are subject to the satisfaction of performance conditions measured over a three-year period beginning in the year the PSA shares are granted. For those PSAs granted to our executive officers in March 2016, the measurement of 50% of the PSA shares is tied to the Company's Average Organic Sales Growth (as defined in the Performance Stock Award Agreement), and the measurement of 50% of the PSA shares is tied to the compound annual growth rate of the Company's cumulative earnings per share, excluding any impact for changes in acquisition earn-out liabilities. We believe that Average Organic Sales Growth and cumulative earnings per share are appropriate performance measures because they are easily understandable, directly influenceable by our executive officers and meaningful to driving our shareholder value.

In general, PSAs granted to our executive officers contemplate a minimum payout of 0% and a maximum payout of 200% based upon the level of performance of each performance condition during the three-year measurement period.

In order to (i) achieve a strong alignment between pay and performance, and (ii) incentivize the long-term retention of our executive officers and key employees, PSAs are subject to both performance-based and time-based vesting conditions. In addition to the performance conditions described above, PSAs granted in March 2016 are subject to an additional time-based, cliff vesting condition requiring five years of continuous employment from the date of grant.

Like PSAs, RSAs granted to our executive officers in March 2016 are subject to a cliff vesting condition requiring five years of continuous employment from the date of grant. We believe that these equity awards with time-based vesting conditions will continue to operate as a complement to our traditional equity awards characterized by both performance-based and time-based vesting conditions to further incentivize and reward key personnel. We also believe that the continued inclusion of a longer-term equity award (e.g., five years) will help us to attract, motivate and retain those individuals whose performance drives our results.

We expect to issue SIP awards to our executive officers and key employees on an annual basis, instead of every two to three years, which has been our historical practice.

Other Compensation

As appropriate, and in the reasonable discretion of the Chief Executive Officer, or, in the case of the Chief Executive Officer, in the reasonable discretion of the Compensation Committee, certain golf or social club membership dues paid by the Named Executive Officers who have responsibility for the entertainment of clients, prospective clients and principals of acquisition prospects are reimbursed by the Company or paid on behalf of the Named Executive Officer. Additionally, the Company reimburses the costs of annual physical examinations that are not otherwise covered by insurance and for certain financial and tax planning services for each of the Named Executive Officers. Along with all other full-time employees, each of the Named Executive Officers is eligible: (a) to receive matching contributions made by the Company to the 401(k) accounts of participants in the qualified 401(k) Plan sponsored by the Company; (b) to participate in the Company's 1990 Employee Stock Purchase Plan; (c) to participate in group medical, dental and other benefit plans subscribed to by the Company and its subsidiaries; and (d) to the extent permitted by applicable law, for reimbursement of any amounts earned by the Company on personal lines insurance such as homeowners and flood insurance purchased by such employees.

Additionally, the Named Executive Officers receive dividends on shares granted pursuant to the Company's equity incentive compensation plans for which certain time-based requirements of vesting have not yet been fulfilled. This includes dividends on PSP shares in the case of Messrs. Powell Brown, Lydecker, Penny and Strianese and, in the case of Mr. Powell Brown, SIP shares for which stock price vesting conditions have been satisfied; dividends on certain SIP/PTSG grants made in July 2013 in the case of Messrs. Lydecker, Penny and Strianese; dividends on SIP/PTSG grants made in January 2014 in the case of Messrs. Powell Brown, Lydecker, Penny and Strianese; dividends on SIP/PTSG grants made in February 2014 in the case of Mr. Watts; and dividends on SIP/PTSG grants made in January 2015 in the case of all of the Named Executive Officers.

We offer a qualified 401(k) Plan to provide a tax-advantaged retirement savings vehicle. To encourage employees to save money for retirement, the 401(k) Plan provides for matching contributions by the Company. Effective January 1, 2014, the 401(k) Plan was amended to become a safe harbor plan for certain federal tax law compliance testing purposes. The effects of the safe harbor amendment were to increase the annual maximum matching contribution percentage from two and one-half percent (2.5%) to four percent (4.0%) of contributions made by each participant, to make the annual matching contributions mandatory instead of discretionary, and to provide that the matching contributions are immediately vested. Although the 401(k) Plan continues to permit discretionary profit-sharing contributions, the safe harbor matching contribution amendment was adopted with the expectation that such discretionary contributions would be made only in extraordinary circumstances.

The Named Executive Officers are eligible to participate in the Company's non-qualified deferred compensation plan, which provides the opportunity to defer receipt of up to 75% of salary and up to 100% of cash incentive and bonus compensation. Participant deferrals are credited to the participant's deferral contribution account. The amounts credited to the participant's account are funded by a grantor trust, also known as a "rabbi trust." The assets of the trust are subject to the claims of the Company's creditors, and participants are treated as the Company's unsecured general creditors. The participant's account is credited with earnings based on the performance of the participant's investment allocation among a menu of investment options designated by the Company. The Company is permitted, but not required, to make matching contributions and other discretionary contributions under this plan. The Company made no matching or other discretionary contributions to the accounts of Named Executive Officers for 2015.

A participant's account under the Company's non-qualified deferred compensation plan generally is distributed upon the participant's retirement, other termination of employment or death. However, if timely elected by the participant at the

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time of deferral, all or a portion of the participant's deferral account may be distributed on one or more specified dates prior to termination of employment. Participants elect at the time of deferral to have the distributions made in a lump sum or annual installments. Deferred amounts may not be withdrawn prior to the designated distribution date, except upon a determination by the Company that a participant has suffered an unforeseeable, severe financial hardship. These plans, and our contributions to them, enhance the range of benefits we offer to executives and enhance our ability to attract and retain key employees.

Policy on Tax Deductibility. The Compensation Committee considers the anticipated tax treatment to the Company in its review and establishment of compensation programs and payments, including the potential impact of Section 162(m). Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding one million dollars in any taxable year for any of the Named Executive Officers (excluding the Chief Financial Officer), other than compensation that is performance-based under a plan that is approved by the shareholders and that meets certain other technical requirements. The deductibility of compensation payments can depend upon numerous factors, including the nature of the payment and the time that income is recognized under various awards. Interpretations of, and changes in, applicable tax laws and regulations as well as other factors beyond the control of the Compensation Committee also can affect deductibility of compensation. Our general policy is to deliver equity-based compensation to employees in as tax-efficient a manner as possible, taking into consideration the overall cost to the Company, for which the Company accounts in accordance with Statement of Financial Accounting Standards ASC Topic 718 (formerly "SFAS 123(R)"), issued by the Financial Accounting Standards Board ("FASB"). The Compensation Committee will continue to monitor developments and assess alternatives for preserving the deductibility of compensation payments and benefits to the extent reasonably practicable, consistent with its compensation policies and as determined to be in the best interests of the Company and its shareholders.

Payments Upon Termination or Change in Control. With the exception of Mr. Walker, who joined the Company in January 2012 in connection with our acquisition of Arrowhead General Insurance Agency, Inc., the Named Executive Officers all entered into employment agreements with the Company in 2014 that include change-in-control provisions. As explained below in the section titled "Employment and Deferred Compensation Agreements," Mr. Watts entered into an employment agreement effective February 17, 2014, upon joining the Company, while Messrs. Powell Brown, Lydecker, Penny and Strianese entered into new agreements in May 2014. Mr. Watts' agreement provides that in the event of termination without "Cause," or resignation for "Good Reason" or a "Change in Control," as defined therein, during the three-year term of the agreement, Mr. Watts is entitled to certain payments. The agreements entered into with Messrs. Powell Brown, Lydecker, Penny and Strianese provide that in the event of a "Change in Control," as defined therein, they will be entitled to employment terms and benefits commensurate with those of other similarly situated executives. Mr. Walker entered into an employment agreement effective January 9, 2012 upon joining the Company, and following the expiration of the initial three-year employment term, the Company is not required to make any payments under the employment agreement to Mr. Walker upon termination or change of control. The terms of our employment agreements with our Named Executive Officers are described below in the section titled "Employment and Deferred Compensation Agreements."

The PSP, the SIP and the ISO Plan include change-in-control provisions. The PSP (which was terminated in 2010) provides that all outstanding grants of PSP stock shall become fully vested and non-forfeitable in the event of: (i) the Company's entry into any agreement to sell all or substantially all of its assets or to enter into any merger, consolidation, reorganization, division or other corporate transaction in which Company stock is converted into another security or into the right to receive securities or property, where such agreement does not provide for the assumption or substitution of PSP stock; (ii) any tender or exchange offer for the Company's stock accepted by a majority of the shareholders of the Company; or (iii) the death of J. Hyatt Brown and the subsequent sale by his estate, his wife, his lineal descendants, any trust created for his benefit during his lifetime, or any combination of the foregoing, of the Company stock owned by J. Hyatt Brown prior to his death. The PSP further provides that if any shares of PSP stock become fully vested and non-forfeitable because of the occurrence of these events, the Company shall pay to the holders of such shares, within 60 days of the occurrence of such event, the full amount of any federal and state income tax liability incurred by such holder as a result of such vesting, including, without limitation, any excise tax with respect to such vesting (e.g., under Internal Revenue Code Section 4999 and any successor provision) as well as the amount of any tax liability with respect to such "gross-up" payment. This excise tax gross-up provision is

a legacy provision that applies only to awards that were granted under the PSP prior to its suspension in 2010, and no new agreements that contain excise tax gross-up provisions have been entered into, and no previous agreements containing such legacy provisions have been materially amended. Additionally, the PSP provides that in the event of any “Change in Control” (as defined in the PSP, and excluding the triggering events described above), the Board thereafter shall have the right to take such action with respect to any shares of PSP stock that are

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forfeitable, or all such shares of PSP stock, as the Board in its discretion deems appropriate under the circumstances to protect the interests of the Company in maintaining the integrity of the awards under the PSP. The PSP further states that the Board shall have the right to take different action with respect to different “Key Employees” (as defined in the PSP) or different groups of “Key Employees,” as the Board in its discretion deems appropriate under the circumstances. For information concerning the value of the vested PSP stock that each of the Named Executive Officers would have in the event that one of the triggering events described above occurred on the last business day of 2015, please see the table titled “Potential Payments Upon Termination or Change in Control — 2015” below.

The ISO Plan (which expired in 2008) and the SIP provide for double-trigger vesting under which all participants, including all of the Named Executive Officers, shall become one hundred percent (100%) vested in all options or, in the case of the SIP, unvested restricted stock grants or stock appreciation rights granted under that plan, only if the participant’s service with us is involuntarily or constructively terminated (other than for specified causes, as set forth in the ISO Plan or SIP) within 12 months after a “Transfer of Control” as defined in the ISO Plan and the SIP. For information concerning the value of the vested options that each of the Named Executive Officers would have under the ISO Plan and the value of the vested shares that each of the Named Executive Officers would have under the SIP in the event that termination of employment after “Transfer of Control” had occurred on the last business day of 2015, please see the table titled “Potential Payments Upon Termination or Change in Control — 2015” below.

Potential Payments Upon Termination or Change in Control — 2015

Name	Benefit(1)	Before Change in Control Termination w/o Cause Resignation for Good Reason (\$)	After Change in Control Termination w/o Cause or Resignation for Good Reason (\$)	Voluntary Termination (\$)	Death (\$)	Disability (\$)	Change in Control (\$)(2)
J. Powell Brown	ISO	—	1,430,100	—	—	—	—
	PSP	—	—	—	2,257,657	2,257,657	3,456,944
	SIP	—	11,053,860	—	—	—	—
R. Andrew Watts	Employment Agreement	1,686,774	1,686,774	—	1,686,774	1,686,774	1,686,774
	ISO	—	—	—	—	—	—
	PSP	—	—	—	—	—	—
	SIP	—	1,976,012	—	—	—	—
Charles H. Lydecker	ISO	—	272,400	—	—	—	—
	PSP	—	—	—	1,912,775	1,912,775	2,928,857
	SIP	—	4,298,254	—	—	—	—
J. Scott Penny	ISO	—	743,502	—	—	—	—
	PSP	—	—	—	1,781,165	1,781,165	2,727,335
	SIP	—	4,298,254	—	—	—	—
Anthony T. Strianese	ISO	—	1,089,600	—	—	—	—
	PSP	—	—	—	1,238,290	1,238,290	1,896,080
	SIP	—	4,425,113	—	—	—	—
Chris L. Walker	ISO	—	—	—	—	—	—
	PSP	—	—	—	—	—	—

SIP	—	2,290,913	—	—	—	—
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(1)

All figures shown for the value of stock granted under the PSP, SIP and the ISO Plan that would vest upon death, disability or following a change in control are calculated based on the assumption that the triggering event(s) for such vesting took place on December 31, 2015, the last business day of the Company's last completed fiscal year, and that the price per share of our common stock is \$32.10, the closing market price as of that date. Other than the amounts shown in the column captioned "Change of Control," all amounts payable may be subject to reduction under Sections

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280G and 4999 of the Internal Revenue Code. For more detailed information concerning the change-in-control provisions of the PSP, the ISO Plan and the SIP, please see the section titled “Compensation Discussion and Analysis — Payments in the Event of Change in Control,” above.

(2)

The figures shown in this column represent amounts that would be paid pursuant to the terms of the PSP in the event of a change in control as defined in the PSP and include the following excise tax gross-up amount to be paid by the Company on PSP shares on behalf of the participant in the event of change in control: Mr. Powell Brown — \$1,199,287; Mr. Lydecker — \$1,016,082; Mr. Penny — \$946,170 and Mr. Strianese — \$657,790. The excise tax gross-up amount has been calculated assuming the excise tax rate of 20% multiplied by the excess of the value of the change-in-control payments over the executive’s average W-2 earnings for the last five calendar years, and assuming a blended effective tax rate of approximately 40% for each executive. However, the excise tax gross-up is only applicable if the sum of all payments equals or exceeds three times the executive’s average W-2 earnings for the past five calendar years. Further, the excise tax gross-up assumes no value is assigned to non-competition and other restrictive covenants that may apply to the participant. Such excise tax gross-up amounts also assume a change in control date of December 31, 2015, at our closing market price of \$32.10 as of that date. The excise tax gross-up provision is a legacy provision that applies only to awards that were granted under the PSP prior to its suspension in 2010, and does not apply to awards under the SIP or the ISO Plan. No new agreements that contain excise tax gross-up provisions have been entered into, and no previous agreements containing such legacy provisions have been materially amended.

EXECUTIVE COMPENSATION

The following table sets forth the compensation received by our Named Executive Officers for services rendered to us in such capacity for the years ended December 31, 2015, 2014 and 2013, except in the case of (a) Mr. Watts, who joined the Company in February 2014 and was therefore not a named executive officer in 2013, for the year ended December 31, 2013; (b) Mr. Penny, who was not a named executive officer in 2013, for the year ended December 31, 2013; and (c) Mr. Walker, who was not a named executive officer in 2014 or 2013, for the years ended December 31, 2014 and 2013, respectively.

Summary Compensation Table 2013 – 2015

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)(2)	Total (\$)
J. Powell Brown Chief Executive Officer and President	2015	1,029,422	—	399,993	958,000	118,143	2,505,558
	2014	787,509	217,460	499,991	1,304,400	112,319	2,921,679
	2013	565,000	—	2,249,997	1,380,000	76,728	4,271,725
R. Andrew Watts Chief Financial Officer Executive Vice President and Treasurer	2015	500,000	—	349,986	239,000	32,111	1,121,097
	2014	423,077	—	1,525,013	331,474	855,354	3,134,918
Charles H. Lydecker Executive Vice President and Regional President – Retail Division	2015	600,000	—	199,996	825,000	72,960	1,697,956
	2014	602,692	—	300,008	1,065,501	62,310	2,030,511
	2013	450,000	230,769	2,199,993	819,231	45,580	3,745,573
J. Scott Penny Executive Vice President and Chief Acquisitions Officer	2015	463,500	—	199,996	625,000	66,873	1,355,369
	2014	469,867	—	300,008	869,634	55,086	1,694,595
Anthony T. Strianese Executive Vice	2015	500,000	—	324,998	900,000	57,925	1,782,923
	2014	505,385	—	300,008	1,034,888	59,781	1,900,062
	2013	450,000	28,729	2,199,993	825,148	41,244	3,545,114

President
and President –
Wholesale
Brokerage
Division
Chris L.
Walker
Executive
Vice
President
and President –
Programs
Division

2015	497,292	—	199,996	625,000	17,019	1,339,307
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(1)

Amounts shown under the “Stock Awards” column reflect the aggregate grant date fair value of awards computed in accordance with Statement of Financial Accounting Standards ASC Topic 718 (formerly “SFAS 123(R)”) with respect to stock granted under the SIP to our Named Executive Officers rather than the dollar amount recognized during the fiscal year for financial statement purposes. The assumptions used for the valuations are set forth in Note 11 to our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See the “Compensation Discussion and Analysis” and the “Outstanding Equity Awards at 2015 Fiscal Year-End” tables for information with respect to stock granted under the SIP and PSP prior to 2015. For awards that are performance based, the indicated grant date fair value amounts assume that the highest level of performance, a CAGR of our EPS equaling or exceeding 10% as measured at the conclusion of the performance period, will be achieved.

(2)

These dollar amounts include the items identified in the table titled “All Other Compensation Table — 2015” below.

All Other Compensation Table — 2015

Name	Year	Perquisites and Other Personal Benefits (\$)(1)	Insurance Premiums (\$)(2)	Company Contributions to Retirement and 401(k) Plans (\$)	Cash Dividends (\$)(3)	Other (\$)	Total (\$)
J. Powell Brown	2015	15,885	—	10,600	91,658	—	118,143
	2014	24,055	—	10,400	77,864	—	112,319
	2013	9,396	—	10,200	57,132	—	76,728
R. Andrew Watts	2015	5,421	—	10,600	16,090	—	32,111
	2014	—	—	10,400	7,593	837,361(4)	855,354
Charles H. Lydecker	2015	11,011	3,323	10,600	48,026	—	72,960
	2014	8,086	2,898	10,400	40,926	—	62,310
	2013	4,723	2,716	10,200	27,941	—	45,580
J. Scott Penny	2015	7,192	2,907	10,600	46,174	—	66,873
	2014	3,853	2,590	9,398	39,245	—	55,086
Anthony T. Strianese	2015	3,781	—	10,600	43,544	—	57,925
	2014	5,016	—	10,400	44,365	—	59,781
	2013	—	—	10,200	31,044	—	41,244
Chris L. Walker	2015	1,567	—	—	15,452	—	17,019

(1)

These amounts include reimbursement of the cost of annual physical examinations to the extent not otherwise covered by insurance, the reimbursement of the cost of certain financial and tax planning services and reimbursement of certain club membership dues and car service expenses. For additional information, please see “Compensation Discussion and Analysis — Other Compensation.”

(2)

These amounts include amounts earned by the Company and reimbursed to these employees for personal lines insurance purchased by these employees through the Company or its subsidiaries.

(3)

These amounts represent cash dividends paid on granted PSP and SIP shares for which conditions of vesting other than time-based conditions have been satisfied.

(4)

These amounts include a transition cash bonus of \$225,000 to compensate Mr. Watts for a cash bonus that he did not receive from his previous employer due to his acceptance of employment with the Company, a transition cash bonus of \$500,000 to compensate Mr. Watts for a stock award that he did not receive from his previous employer due to acceptance of employment with the Company, relocation expenses totaling \$71,281 and expenses of \$41,080 related to travel to and from Mr. Watts’ home in New Jersey to his office in Daytona Beach, Florida.

Grants of Plan-Based Awards in Fiscal 2015

The following table provides information about the range of possible annual incentive cash payouts in respect of 2015 performance, the range of shares that may be earned pursuant to the stock grants made to our Named Executive Officers under our SIP in 2015 and the grant date fair value of these stock grants computed under Statement of

Financial Accounting Standards ASC Topic 718 (formerly “SFAS 123(R)”).

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Stock Awards (\$)(5)
		Threshold (\$)(3)	Target (\$)	Maximum (\$)(4)	Threshold (#)	Target (#)	Maximum (#)	
J. Powell Brown	1/21/15	0	1,400,000	2,800,000	—	12,646	12,646	399,993
R. Andrew Watts	1/21/15	0	350,000	700,000	—	11,065	11,065	349,986
Charles H. Lydecker	1/21/15	0	1,000,000	2,000,000	—	6,323	6,323	199,996
J. Scott Penny	1/21/15	0	800,000	1,600,000	—	6,323	6,323	199,996
Anthony T. Strianese	1/21/15	0	900,000	1,800,000	—	10,275	10,275	324,998
Chris L. Walker	1/21/15	0	800,000	1,600,000	—	6,323	6,323	199,996

(1)

For additional information related to the annual cash incentive awards including performance targets and measures, see the “Compensation Discussion and Analysis” section of this proxy statement.

(2)

The “Estimated Future Payouts Under Equity Incentive Plan Awards” column shows the range of shares that may be earned pursuant to the stock awards granted under our SIP in 2015. For additional information related to these grants, see the “Compensation Discussion and Analysis” section of this proxy statement.

(3)

For additional information related to the annual cash incentive awards including performance targets and measures, see the “Compensation Discussion and Analysis” section of this proxy statement.

(4)

For additional information related to the annual cash incentive awards including performance targets and measures, see the “Compensation Discussion and Analysis” section of this proxy statement.

(5)

The “Grant Date Fair Value of Stock Awards” column shows the full grant date fair value of the shares granted to our Named Executive Officers under our SIP in 2015. The grant date fair value of the awards is determined under Statement of Financial Accounting Standards ASC Topic 718 (formerly “SFAS 123(R)”) and represents the amount we would expense in our financial statements over the vesting schedule for the grants. In accordance with SEC rules, the amounts in this column reflect the actual ASC 718 accounting cost without reduction for estimates of forfeitures related to service-based vesting conditions. The fair value of each share underlying a SIP award for this purpose is equal to the closing price per share of a share of our common stock on the grant date. The amounts reflect our accounting for these grants and do not correspond to the actual values that may be realized by the grantees.

Fiscal Year-End Option and Stock Award Values

The closing market price of our stock underlying the stock options granted under the ISO Plan was \$32.10 per share as of December 31, 2015. The resulting difference between the year-end market price and the exercise price per share of \$18.48 for options granted in 2008 is \$13.62 per share. Therefore, the values at fiscal year-end of unexercised “in-the-money” options granted to the Named Executive Officers, in addition to the unvested stock awards, are as set forth in the table below:

Outstanding Equity Awards at Fiscal Year-End — 2015

Name	Option Awards(1)					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Unexercised Options (#)	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 (\$)(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(3)
J. Powell Brown	70,000	—	35,000	18.48	2/26/2018	—	—	—	—
	—	—	—	—	—	202,558	6,502,112	212,131	6,809,405

R. Andrew Watts	—	—	—	—	—	35,558	1,141,412	26,000	834,600
Charles H. Lydecker	—	—	20,000	18.48	2/26/2018	—	—	—	—
J. Scott Penny	34,589	—	20,000	18.48	2/26/2018	—	—	—	—
Anthony T. Strianese	—	—	—	—	—	106,142	3,407,158	87,348	2,803,871
Chris L. Walker	—	—	—	—	—	102,042	3,275,548	87,348	2,803,871
	60,000	—	20,000	18.48	2/26/2018	—	—	—	—
	—	—	—	—	—	89,082	2,859,532	87,348	2,803,871
	—	—	—	—	—	34,147	1,096,119	37,221	1,194,794

(1)

Generally, these options vest three months prior to their expiration dates. This vesting may accelerate, however, in increments of 20% based upon each 20% increase in the stock price above the stock price on the grant date, based on a 20-trading-day average.

(2)

The market value shown was determined by multiplying the number of shares of stock that have not vested by \$32.10, the closing market price of our common stock on December 31, 2015.

(3)

The market value shown was determined by multiplying the number of unearned stock shares (at target) by \$32.10, the closing market price of our common stock on December 31, 2015.

Option Exercises and Stock Vested — 2015

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
J. Powell Brown	—	—	—	—
R. Andrew Watts	—	—	—	—
Charles H. Lydecker	74,589	1,016,648	—	—
J. Scott Penny	—	—	—	—
Anthony T. Strianese	—	—	29,400	972,846
Chris L. Walker	—	—	—	—

(1)

The value realized upon the exercise of options is the difference between the exercise or base price and the market price of our common stock upon exercise. The value realized was determined without considering any taxes that were owed upon exercise.

(2)

The value realized upon the vesting of stock awards is the number of shares multiplied by the market value of the underlying shares on the vesting date.

Nonqualified Deferred Compensation at Fiscal Year-End — 2015

Name	Executive Contributions(1) (\$)	Registrant Contributions (\$)	Aggregate Earnings (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at 12/31/2015 (\$)
J. Powell Brown	380,465	—	(6,074)	—	746,746
R. Andrew Watts	—	—	—	—	—
Charles H. Lydecker	—	—	—	—	—
J. Scott Penny	43,481	—	626	—	126,079
Anthony T. Strianese	50,000	—	(5,968)	—	168,113
Chris L. Walker	—	—	—	—	—

(1)

In each instance, the indicated executive contribution is included in the amounts reported for that Named Executive Officer in the Summary Compensation Table for 2015.

Employment and Deferred Compensation Agreements

Messrs. Powell Brown, Lydecker, Penny and Strianese

In May 2014, the Named Executive Officers other than Mr. Watts and Mr. Walker, whose employment agreements effective February 17, 2014, and January 9, 2012, respectively, are described below, entered into new employment agreements with the Company. These agreements were entered into with certain members of the Company's executive leadership because the employment agreements previously in effect with these Company leaders were entered into on different effective dates and varied somewhat, and we deemed it desirable to enter into agreements with consistent

terms, on a uniform effective date. The new employment agreements include, among other provisions, restrictive covenants prohibiting the solicitation or diversion of business or employees for a period of two years following voluntary or involuntary separation from employment, and also prohibit disclosure of confidential information. Compensation under these agreements is not specified, but rather is at amounts agreed upon between us and the executive from time to time. See the section titled, "Compensation Discussion and Analysis" for information concerning the considerations affecting the compensation of the Named Executive Officers. The agreements include a provision that states that in the event of a "Change in Control," defined as a circumstance in which the holders of more than 50% of the voting stock of the Company before the transaction closes hold less than 50% of the voting stock of the Company after the transaction closes, if the resulting entity employs executives with duties similar in character, classification or responsibilities to Executive's, the Agreement shall be deemed modified to provide Executive with "equivalent terms and benefits to those of similar executives." These agreements may be terminated by either party at any time, with or without cause or advance notice.

Mr. Watts

In connection with his hiring, Mr. Watts and the Company entered into an employment agreement with a term ending on February 17, 2017 (the "Term") pursuant to which Mr. Watts: (1) receives a starting annual base salary of \$500,000; (2) was

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eligible to receive a performance-based bonus with an estimated target cash incentive amount of \$350,000 for calendar year 2014 (pro-rated for time employed in 2014 and subject to reduction in the event of unexpectedly poor financial performance of the Company or the commission of acts of malfeasance by recipient), payable in the first quarter of 2015; (3) received a stock grant with a grant date fair value of \$250,002 that will fully vest five years after the date of grant, subject to certain conditions (the “PTSG Bonus”); (4) received a transition cash bonus of \$225,000 to compensate him for a cash bonus that he has not received from his previous employer due to his acceptance of employment with the Company, subject to certain conditions; (5) received a transition cash bonus of \$500,000 to compensate him for a stock award that he did not receive from his previous employer due to acceptance of employment with the Company, subject to certain conditions; (6) received a stock grant with a grant date fair value of \$474,991 that will fully vest three years after the date of grant, subject to certain conditions (the “Transition Equity Bonus”); (7) received a stock grant with grant date fair value of \$800,020 that will potentially be earned in five years based upon the Company’s achievement of specified performance targets and, if earned, will vest in years six, seven and eight; and (8) received reimbursement of relocation expenses in the amount of \$71,281. In addition, Mr. Watts is eligible to participate in the Company’s medical, dental, vision, group life insurance, long-term disability insurance, accidental, death and dismemberment insurance, employee stock purchase plan, stock incentive plan, deferred compensation plan and 401(k) plan.

In addition, Mr. Watts’ employment agreement provides that, during the Term, if Mr. Watts’ employment is terminated (a) by Company other than for “Cause” (as defined below) (b) by Mr. Watts for “Good Reason”; (as defined below) (c) due to death or permanent disability; or (d) by the Company due to a “Change in Control” (as defined below), then the Company will pay Mr. Watts (or in the event of his death, his estate) an amount equal to the sum of his base salary and target cash incentive amount through the end of the Term; \$250,002, representing the grant date fair market value of the PTSG Bonus; and \$474,991, representing the grant date fair market value of Transition Equity Bonus, all subject to certain customary conditions, including Mr. Watts’ entry into a general release in favor of the Company and compliance with restrictive covenants contained in his employment agreement.

Pursuant to Mr. Watts’ employment agreement:

“Cause” means (a) a material breach of any of the terms of the employment agreement which remains uncured for 30 days after receiving written notice from the Company describing said breach; (b) repeated failure to perform the services reasonably required of him by the Company which remains uncured for 30 days after receiving written notice from the Company describing said failure (after three separate incidents of failure for which he received written notice from the Company); (c) a proven violation of the Company’s written discrimination or harassment policy based upon race, sex, national origin, religion, disability or age; (d) commission of (I) a felony, provided that he has been convicted of the same, (II) a crime involving moral turpitude, provided that he has been convicted of the same, (III) any act involving fraud, theft, embezzlement, conversion or misappropriation of money or property, (IV) breach of the duty of loyalty to the Company, (V) breach of any fiduciary duties to the Company, (VI) any intentional or grossly negligent act that otherwise materially damages the Company, its business or its material assets, (VII) violation of the Company’s code of ethics, or (VIII) any act of threatening, inappropriate or abusive behavior that disrupts the normal day-to-day operation of any of the Company’s offices, all of which will be as determined by the Company in its sole discretion; provided that the events listed in (IV) through (VIII) shall be subject to a 30-day right to cure after receiving written notice from the Company describing such event; (e) current alcohol or substance abuse which the Company has informed him that the Company believes has occurred and that the Company deems, in its reasonable discretion, to materially impair his abilities to perform his duties; or (f) the loss, limitation or suspension of his license to write insurance in any jurisdiction where such license is material to the performance of his duties.

“Change in Control” means a change that would have to be reported in response to Item 6(e) of Schedule 14A of the Regulation 14A promulgated under the Securities and Exchange Act of 1934, as amended, as well as certain other circumstances involving the beneficial ownership of securities of the company or the merger, acquisition or consolidation of the company and its subsidiaries

“Good Reason” means (i) the Company, without Mr. Watts’ written consent, (a) materially reduces his salary, duties, or position, (b) commits a material breach of the employment agreement, or (c) materially changes the geographic location at which he must perform services for the Company; (ii) Mr. Watts provides written notice to the Company of any such action within 90 days of the date on which such action first occurs and provides the Company with 30 days to remedy such action (the “Cure Period”); and (iii) the Company fails to remedy such action within the Cure Period.

Mr. Walker

Mr. Walker entered into an employment agreement with the Company effective January 9, 2012, in connection with our acquisition of Arrowhead General Insurance Agency, Inc. Following the expiration of the initial three-year employment

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term, the agreement may be terminated by either party at any time, with or without cause or advance notice. Compensation under the agreement is at an amount agreed upon between us and Mr. Walker from time to time, and for a period of two years following the termination of employment, the agreement prohibits Mr. Walker from directly or indirectly soliciting or servicing our clients, or soliciting our employees to leave their employment with us.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee is or has been an executive officer of the Company, and no director who served on the Compensation Committee during 2015 had any relationships requiring disclosure by the Company under the SEC's rules requiring disclosure of certain relationships and related-party transactions. None of the Company's executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, any executive officer of which served as a director of the Company or member of the Compensation Committee during 2015.

Compensation Committee Report

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate future filings, including this Proxy Statement, in whole or in part, the following Board Compensation Committee Report shall not be incorporated by reference into any such filings.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on this review and those discussions, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE

Toni Jennings (Chair)

Samuel P. Bell, III

Theodore J. Hoepner

James S. Hunt

H. Palmer Proctor, Jr.

PROPOSAL 1

ELECTION OF DIRECTORS

The twelve (12) nominees for election as directors at the Meeting are: J. Hyatt Brown; Samuel P. Bell, III; Hugh M. Brown; J. Powell Brown; Bradley Currey, Jr.; Theodore J. Hoepner; James S. Hunt; Toni Jennings; Timothy R.M. Main; H. Palmer Proctor, Jr.; Wendell S. Reilly; and Chilton D. Varner. Information concerning each of the nominees is set forth under the caption “Management — Directors and Executive Officers.” All nominees are now members of the Board of Directors. Nomination of all nominees is for a one (1)-year term until the next Annual Meeting of Shareholders.

Should any nominee become unable or unwilling to accept nomination or election for any reason, it is expected that the resulting vacancy will not immediately be filled. All nominees have consented to being named in the Proxy Statement and have agreed to serve if elected. If any nominee for election as a director shall become unable to serve as a director, then proxies will be voted for such substitute nominee as the Nominating/Corporate Governance Committee of the Board of Directors may nominate.

Board Recommendation

The affirmative vote of more than 50% of the votes cast, either in person or by proxy, at the annual meeting is required for the election of these nominees as directors.

If an incumbent director does not receive more than 50% of the votes cast with respect to such director’s election, such director shall promptly tender his or her conditional resignation following certification of the vote.

The Nominating/Corporate Governance Committee shall consider the resignation offer and recommend to the Board whether to accept such offer, and the Board will endeavor to act on the recommendation within 90 days.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF THESE NOMINEES.

PROPOSAL 2

RATIFICATION OF the appointment of DELOITTE & TOUCHE LLP AS THE COMPANY'S independent registered public accountantS

The Audit Committee of the Board of Directors has selected Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016. Deloitte & Touche LLP has served as our independent registered public accounting firm since the fiscal year ended December 31, 2002.

The Audit Committee and the full Board of Directors are requesting that shareholders ratify this appointment as a means of soliciting shareholders' opinions and as a matter of good corporate governance. If the shareholders do not ratify the selection, the appointment of the independent registered public accountants will be reconsidered by the Audit Committee of the Board of Directors. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines such change would be in the best interests of the Company and its shareholders.

One or more representatives of Deloitte & Touche LLP are expected to be present at the Meeting, will have the opportunity to make a statement and will be available to respond to appropriate questions from shareholders.

Board Recommendation

In order to be ratified, this Proposal 2 must receive the affirmative vote of a majority of the votes cast on the Proposal. The Board of Directors believes that the ratification of Proposal 2 is in the best interests of the Company and its shareholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

Report of the Audit Committee

The Audit Committee of the Board of Directors operates pursuant to an Audit Committee Charter adopted by the Company's Board of Directors on June 14, 2000, as amended in 2004, 2007 and 2011, and most recently reviewed by the Audit Committee in January 2016 in connection with the Audit Committee's regular annual review of the Audit Committee Charter. The Audit Committee Charter is posted on the Company's website (www.bbinsurance.com) in the "Corporate Governance" section, under "Key Documents."

Each member of the Audit Committee qualifies as "independent" (as that term is defined in the NYSE listing standards, as currently in effect, as well as other statutory, regulatory and other requirements applicable to the Company's Audit Committee members).

With respect to the fiscal year ended December 31, 2015, the Audit Committee:

(1)
has reviewed and discussed the Company's audited financial statements with management and the independent registered public accountants;

(2)
has discussed with the independent registered public accountants of the Company the matters required to be discussed by the Public Company Accounting Oversight Board (United States) rules on independence;

(3)
has received and reviewed the written disclosures and the letter from the independent registered public accountants required by the applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent registered public accountants' communications with the Audit Committee concerning independence, and has discussed with the independent registered public accountants the independent registered public accountants' independence; and

(4)
based on the review and discussions with management and the independent registered public accountants referenced above, recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, for filing with the Securities and Exchange Commission.

It is not the duty or responsibility of the Audit Committee to conduct auditing or accounting reviews or procedures. In performing its oversight responsibility, members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent registered public accountants. Accordingly, the Audit Committee's considerations and discussions do not assure that the audit of the Company's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) or that the financial statements are presented in accordance with generally accepted accounting principles in the United States of America ("GAAP").

AUDIT COMMITTEE

James S. Hunt (Chair)

Hugh M. Brown

Theodore J. Hoepner

Toni Jennings

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INFORMATION CONCERNING INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

We incurred the following fees for services performed by Deloitte & Touche LLP for fiscal years 2015 and 2014:
FEES PAID TO DELOITTE & TOUCHE LLP

Audit Fees

The aggregate fees billed to us by Deloitte & Touche LLP for professional audit services rendered for the audit of our annual financial statements, the review of financial statements included in our Forms 10-Q and the audit of our internal control over financial reporting for the fiscal years ended December 31, 2015 and 2014, including any out-of-pocket expense, were \$1,465,595 and \$1,444,458, respectively.

Audit-Related Fees

There were no fees billed to us by Deloitte & Touche LLP for assurance and related services reasonably related to the performance of the audit or review of our financial statements that are not reported above under the caption "Audit Fees" for the fiscal year ended December 31, 2015. Fees of \$172,478 were billed to us by Deloitte & Touche LLP for assurance and related services reasonably related to the performance of the audit or review of our financial statements that are not reported above under the caption "Audit Fees" for the fiscal year ended December 31, 2014. These fees were billed primarily in connection with our issuance on September 18, 2014 of \$500.0 million of 4.2% unsecured senior notes due in 2024.

Tax Fees

No fees were billed to us by Deloitte & Touche LLP for tax compliance, tax advice and tax planning for the fiscal years ended December 31, 2015 or 2014.

All Other Fees

No other fees were billed to us by Deloitte & Touche LLP for the fiscal years ended December 31, 2015 or 2014.

Audit Committee Policy for Pre-Approval of Independent Registered Public Accountant Services

Our Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered public accountants pursuant to the Audit Committee's pre-approval policies and procedures in order to assure that the provision of such services does not impair the independent registered public accountants' independence. The Audit Committee requires that any proposed engagement of the independent registered public accountants to perform services in addition to those approved in connection with the annual engagement letter entered into with the independent registered public accountants must be considered and approved in advance by the Audit Committee, except that the Audit Committee's pre-approval for non-audit services is not required to the extent such non-audit services meet the de minimus exception requirements of Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended. During fiscal years 2015 and 2014, all services were approved by the Audit Committee in accordance with this policy.

PROPOSAL 3

ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Act requires that we provide our shareholders with the opportunity to vote to approve, on a nonbinding, advisory basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with the SEC's compensation disclosure rules. This proposal, commonly known as a "say-on-pay" proposal, gives our shareholders the opportunity to express their views on our executive compensation. In 2011, the first year in which these requirements became applicable to us, we recommended, and our shareholders approved, the submission of a "say-on-pay" consideration proposal on an annual basis. Thus, this is the sixth consecutive year in which such a proposal has been included in our Proxy Statement.

As described in detail above under "Compensation Discussion and Analysis," our executive compensation program is designed to attract, motivate, and retain our Named Executive Officers, who are critical to our success. Accordingly, our Named Executive Officers are rewarded to the extent of achievement of specific annual goals as well as for delivering financial performance that is intended to increase long-term shareholder value.

Our Compensation Committee has adopted an approach to executive compensation that we believe enables the Company to retain its executive talent while remaining committed to our core compensation philosophy of paying for performance and aligning executive compensation with shareholder interests. Accordingly, the Compensation Committee continually reviews the compensation programs for our Named Executive Officers with the goal of most effectively aligning our executive compensation structure with our shareholders' interests and current market practices. For example, (1) a significant portion of pay is performance-based, (2) compensation is incentive-driven with both short- and long-term focus, and (3) components of compensation are linked to increasing shareholder value.

We are again asking our shareholders to indicate their support for our executive officer compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the philosophy, program and practices described in this Proxy Statement in accordance with the SEC's compensation disclosure rules. Accordingly, we ask our shareholders to vote "FOR" the approval, on an advisory basis, of executive compensation.

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

Accordingly, we ask our shareholders to vote on the following resolution at the Meeting:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED."

Board Recommendation

In order to be approved, this Proposal 3 must receive the affirmative vote of a majority of the votes cast on the Proposal. The Board of Directors believes that the advisory approval of Proposal 3 is in the best interests of the Company and its shareholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

PROPOSAL 4

REAPPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER THE COMPANY'S 2010 STOCK INCENTIVE PLAN PURSUANT TO SECTION 162(m) OF THE INTERNAL REVENUE CODE

Introduction

Section 162(m) of the United States Internal Revenue Code of 1986, as amended (the "Code"), limits the deductibility of executive compensation paid to each of the Company's chief executive officer and the three other most highly compensated officers (other than the chief financial officer), as determined pursuant to the executive compensation proxy statement disclosure rules, in any one year, to \$1 million. An exception to this limitation applies to "performance-based" compensation as defined in the U.S. Treasury regulations under Section 162(m) of the Code. This exception is referred to as the "performance-based exception."

One element of the Brown & Brown, Inc. 2010 Stock Incentive Plan, or SIP, is the flexibility to make certain grants with performance-based vesting or payment requirements that are designed to satisfy the requirements of the "performance-based exception" under Section 162(m) of the Code. These awards are referred to as "Performance-Based Stock Grants," and are in addition to other awards, such as stock options and stock appreciation rights (SARs), discussed below, which are expressly authorized under the SIP and may also qualify as performance-based compensation for purposes of Section 162(m) of the Code.

One of the requirements under the "performance-based exception" under Section 162(m) of the Code is shareholder approval of the plan under which the awards are granted. In the case of Performance-Based Stock Grants, shareholders must also approve the material terms of the performance goals pursuant to which compensation is paid under the awards. We are required to obtain shareholder approval for Performance-Based Stock Grants at least every five years in order for the Company to claim an income tax deduction when it pays such awards. The Company's shareholders last approved the material terms of the performance goals for Performance-Based Stock Grants under the SIP in May 2015. Since the approval of the material terms of the performance goals in May 2015, the SIP was amended to permit the use of methods in addition to the delivery of share certificates in order to issue shares pursuant to awards granted under the SIP, to authorize the grant of restricted stock units, and to add minimum vesting requirements for options and stock appreciation rights and modify the provision for adjustment of performance targets and the related level of achievement under certain stock grants. Although these amendments to the SIP did not require shareholder approval, grants of restricted stock units may be intended to be Performance-Based Stock Grants. Therefore, in order for future grants of restricted stock units to qualify as Performance-Based Stock Grants, shareholder approval of the material terms of the performance goals for Performance-Based Stock Grants under the SIP, as amended to authorize the grant of restricted stock units, must be obtained.

Stock options or SARs can qualify as performance-based for purposes of Section 162(m) of the Code, even if they are subject to time-based vesting schedules, if the Company's shareholders approve a maximum limit on the number of shares covered by such awards that may be granted to an individual during any specified period, and if the exercise price or base price of the award is not less than the fair market value of the stock subject to the option or SAR on the date of grant.

At the Meeting, the Company's shareholders will be asked to reapprove the material terms of the performance goals in the SIP pursuant to which Performance-Based Stock Grants, including restricted stock units, may be granted, and the individual award limits on stock options and SARs. For purposes of Section 162(m) of the Code, the material terms of the performance goals include:

The employees eligible to receive awards under the SIP;

A description of the business criteria on which the performance goal is based (performance measures); and

The maximum compensation that can be paid to an employee under the performance goal during any specified period (individual award limits).

Shareholder approval of the material terms of the performance goals in the SIP and the individual award limits will allow the Compensation Committee the opportunity to continue to grant Performance-Based Stock Grants and stock options and SARs intended to qualify as “performance-based” compensation under Section 162(m) of the Code, thereby permitting the Company to claim an income tax deduction for such compensation when it is paid. Approval of this Proposal 4 will constitute approval of the material terms of the performance goals and the individual award limits in the SIP.

This Proposal 4 does not include an increase in the number of shares authorized for issuance under the SIP. However, the Company is requesting shareholder approval of an increase in the number of shares authorized under the SIP under Proposal 5 below. Because Section 162(m) of the Code requires that the material terms of the performance goals be approved by shareholders in a separate vote, this Proposal 4 for reapproval of the material terms of the performance goals under the SIP is being requested separately from the request for approval of the SIP amendment to increase in the number of shares authorized for issuance under Proposal 5.

As of February 29, 2016, a total of 6,229,383 shares of common stock were subject to outstanding awards payable in shares granted under the SIP, and an additional 2,830,427 shares of common stock were available for new award grants payable in shares under the SIP. In addition, SIP shares and shares of the Company’s PSP (a plan approved in 1995 and suspended upon shareholder approval of the SIP in May 2010) that are forfeited in the future will be available for issuance under the SIP.

If shareholders do not approve this proposal, the current terms of the Performance-Based Stock Grant feature under, and other terms and conditions of, the SIP will continue in effect. However, the Company will not grant restricted stock unit awards that are intended to satisfy the performance-based exception under Section 162(m) of the Code after the Meeting unless and until the requisite shareholder approval is obtained in accordance with the provisions of Section 162(m) of the Code.

Description of the SIP

The principal terms of the SIP are summarized below. This summary is qualified in its entirety by the complete text of the SIP, which is attached to this Proxy Statement as Appendix A, which includes the amendment to the SIP that is the subject of Proposal 5 below.

Overview. The purpose of the SIP is to attract, incentivize and retain our key employees by offering those persons an opportunity to acquire or increase a direct proprietary interest in our operations and future success.

Shares Subject to the SIP. Subject to adjustment upon a change in capitalization, the number of shares of the Company’s common stock reserved for issuance under the SIP (without giving effect to the proposed share increase that is the subject of Proposal 5) is 5,953,543, plus certain additional shares recaptured from expired, terminated, canceled, or forfeited portions of awards under the PSP. If any portion of an outstanding award under the SIP or the PSP for any reason expires or is terminated or canceled or forfeited, the shares allocable to the expired, terminated, canceled, or forfeited portion of such SIP or PSP award shall be available for issuance under the SIP. However, the following shares are not available for issuance under the SIP: shares tendered as payment for option exercises, shares withheld to cover tax withholding requirements and shares that have been repurchased by the Company using stock option exercise proceeds. As of February 29, 2016, a total of 6,229,383 shares were subject to outstanding equity awards under the SIP. The shares issued by the Company under the SIP may be, at the Company’s option, evidenced by a share certificate delivered to the grantee, or other physical or electronic evidence of share ownership, including, without limitation, deposit of shares into a stock brokerage account maintained for the grantee or credit to a book-entry account for the benefit of the grantee maintained by the Company’s stock transfer agent or its designee.

Eligibility. All employees of the Company and its subsidiaries, and all members of the Board, are eligible to participate in the SIP. As of December 31, 2015, there were approximately 7,807 employees and 10 non-employee directors who were eligible to participate in the SIP. The SIP includes a sub-plan as an appendix which is applicable to Decus Insurance Brokers Limited, which, together with its parent company, Decus Holdings (UK) Limited, is our only United Kingdom-based subsidiary. The Board could adopt additional sub-plans applicable to other foreign subsidiaries we might have in the future. The rules of such sub-plans may take precedence over other provisions of the SIP.

Administration. The Compensation Committee has authority to grant awards to employees under the SIP and is responsible for the general administration and interpretation of the SIP. The SIP provides that members of the Compensation Committee have a right to indemnification with respect to claims arising against them individually as a result of their administration of the SIP, except in the case of gross negligence, bad faith or intentional misconduct.

The Compensation Committee has authority to establish the terms of each award, including the number of awards granted, the vesting schedule and exercisability. The Compensation Committee may establish performance goals as a prerequisite to exercisability or vesting, and such goals and other terms need not be uniform among various participants. Each employee or director granted awards under the SIP will be required to enter into an award agreement with the Company setting forth the terms and conditions of the grant, including any performance goals that are a prerequisite to exercising or vesting of the grant.

Types of Awards Available for Grant under the SIP

Options. Options granted under the SIP may be either “incentive stock options,” as defined in Section 422 of the Code, or non-qualified stock options.

As a general rule, the exercise price for any stock option must be no less than the fair market value of the stock subject to such option as of the date of grant, except for incentive stock options granted to a grantee who owns 10% or more of the voting power of the Company, in which case the exercise price must be at least 110% of the fair market value of such stock as of the date of grant. To the extent that the fair market value of that portion of any grant of incentive stock options that is exercisable for the first time in any given year exceeds \$100,000, such options will be treated as non-qualified stock options. The Compensation Committee shall not grant to any employee or director in any calendar year options to purchase more than 500,000 shares.

Options granted under the SIP generally will not be exercisable after the expiration of 10 years after the effective date of the grant. In addition, no incentive stock option granted to a beneficial owner of 10% or more of the Company’s outstanding shares will be exercisable after the expiration of five years after the effective date of the grant. Each option granted under the SIP must include a minimum vesting period of at least one year from the date of grant of the option.

Generally, options may be exercised only while the award holder is an employee or director of the Company or within a limited period after the award holder leaves employment or service with the Company or after the award holder’s retirement, disability or death. During the award holder’s lifetime, an award is exercisable only by the award holder. Awards generally are not transferable except upon the death of the award holder. If an award holder’s employment or service is terminated under certain circumstances following a change of control of the Company, the award holder will become 100% vested in the grant and may exercise the award for a period of three months after the date of termination.

On the date of exercise, the award holder may pay the full option price in cash, in shares of common stock previously acquired by the award holder valued at fair market value or in any other form of consideration approved by the Compensation Committee. The use of previously acquired shares to pay the option price enables the award holder to avoid the need to fund the entire purchase with cash. Upon exercise of an award, the number of shares subject to the option and the number of shares available under the SIP for future option grants will be reduced by the number of shares with respect to which the option is exercised.

Stock Appreciation Rights. The Compensation Committee also may grant stock appreciation rights that will entitle the award recipient to receive the excess of the fair market value of a share of the Company’s common stock over the exercise price for each share with respect to which the stock appreciation right is exercised. Each stock appreciation right granted under the SIP must include a minimum vesting period of at least one year from the date of grant of the stock appreciation right. Payment upon exercise of a stock appreciation right may be in cash, shares or a combination of cash and shares, as determined by the Compensation Committee. The Compensation Committee shall not grant to any employee or director, in any calendar year, stock appreciation rights covering more than 500,000 shares.

Stock Grants. The Compensation Committee also may grant awards in the form of stock grants in such amounts and upon such terms and conditions as the Compensation Committee specifies in the award agreement. A stock grant may be made in shares of the Company’s common stock, or in units representing rights to receive shares. Stock grants denominated in shares are known as grants of restricted stock, and stock grants denominated in units are known as restricted stock units. The stock grant award agreement shall set forth the conditions, if any, which will need to be timely satisfied before the stock grant will be effective, and the conditions, if any, which will need to be timely satisfied before the stock grant will be vested and settled, and the conditions, if any, under which the grantee’s interest in the related shares or units will be forfeited. Any such conditions for effectiveness or vesting and settlement or

nonforfeitability may be based upon the passage of time and continued service by the Grantee, or the achievement of specified performance objectives, or both time-based and performance-based conditions. The Compensation Committee shall not grant to any employee or director, in any calendar year, stock grants of more than 500,000 shares.

To the extent the Compensation Committee considers it desirable for compensation delivered pursuant to a stock grant to be eligible to qualify for an exemption from the limit on tax deductibility of compensation under Section 162(m) of the Code, the Compensation Committee may provide that the lapsing of restrictions on the stock award and the distribution of shares, as applicable, shall be subject to satisfaction of one, or more than one, objective performance target(s). The Compensation Committee shall determine the performance targets that will be applied with respect to each such stock award at the time of grant, but in no event later than 90 days after the commencement of the period of service to which the performance target(s) relate. The performance criteria applicable to such stock awards will be one or more of the following criteria:

stock price;

sales;

earnings per share, core earnings per share or variations thereof;

return on equity;

costs;

revenue;

days payables outstanding;

days sales outstanding;

cash flow;

operating income;

profit after tax;

profit before tax;

return on assets;

return on sales;

invested capital;

net operating profit after tax;

return on invested capital;

total shareholder return;

earnings;

return on equity or average shareowners' equity;

total shareowner return;

return on capital;

income or net income;

operating income or net operating income;

operating profit or net operating profit;

operating margin;

growth in shareowner value relative to the moving average of the Standard & Poor's 500 Composite Stock Index ("S&P 500") or a peer group index; and/or net cash provided by operating activities.

The Compensation Committee may adjust performance targets and the related level of achievement if it determines that events or transactions that are unusual in nature or infrequently occurring have occurred after the date of grant that are unrelated to the performance of the grantee and result in distortion of the performance targets or the related level of achievement. The Compensation Committee may not increase the number of shares granted pursuant to any such stock award, nor may it waive the achievement of any performance target. Prior to the payment of any such stock award, the Compensation Committee shall certify in writing that the applicable performance target(s) was (were) met.

Adjustment for Certain Events. If the Company undergoes certain events or changes regarding its capital structure, such as a stock dividend, stock split, reverse stock split, recapitalization, reclassification or a similar event, appropriate adjustments will be made to the number and class of shares available for issuance under the SIP and the number and class of shares and, if applicable, exercise price relating to any outstanding awards. Appropriate adjustments would also be made if a majority of the shares which are the same class as the shares that are subject to outstanding awards are exchanged for, converted into, or otherwise become shares of another corporation. If such an event occurs, the Compensation Committee will amend the outstanding awards to provide that such awards are exercisable or will be settled for or with respect to such new shares.

Effect of Change in Control. Involuntary or constructive termination of an award holder's employment after a change in control transaction, as defined in the SIP, may cause the holder's awards to become vested.

No Repricing. The Compensation Committee may not modify or amend any outstanding option or stock appreciation right so as to specify a lower exercise price or accept the surrender of an outstanding option or stock appreciation right and authorize the granting of a new option or stock appreciation right with a lower exercise price in substitution for such surrendered option or stock appreciation right.

Application of Clawback Policy to SIP Awards. In the event of a restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), if any performance-based award paid to a current or former officer of the Company (as defined under Section 16(a) of the Exchange Act) in the three years prior to the date of restatement would have been a lower amount had it been calculated based on such restated results, the Compensation Committee shall evaluate recovery of such award. If a recovery is determined to be appropriate, then the Compensation Committee shall seek to recover for the benefit of the Company, to the extent permitted by applicable law, the after-tax portion of the difference between the awarded compensation and the actual compensation. In determining whether to seek recovery under this policy, the Compensation Committee shall take into account such considerations as it deems appropriate, including, without limitation, whether the assertion of a claim may violate applicable law or prejudice the interests of the Company in any related proceeding or investigation, and the likelihood of success under applicable law.

Amendment or Termination of the SIP. Except as may be required by law, the Compensation Committee may terminate or amend the SIP at any time without further shareholder or regulatory approval. However, no termination or amendment of the SIP may adversely affect any then outstanding option without the consent of the award holder. Unless earlier terminated by the Compensation Committee, the SIP will be in effect until options have been granted and exercised with respect to all shares available for the SIP. However, no award can be granted under the SIP more than 10 years after the SIP has been approved by the Company's shareholders.

Tax Consequences

The federal income tax consequences of participation in the SIP are complex and subject to change. The following discussion is only a summary of the general tax rules applicable to the SIP.

Options. Options granted under the SIP may be either incentive stock options or non-qualified stock options. Options that are designated as incentive stock options are intended to qualify as such under Section 422 of the Code. With respect to incentive stock options, neither the grant nor the exercise of the option will subject the employee to taxable income, other than under the Alternative Minimum Tax (Section 56(b)(3) of the Code), which is not discussed in detail in this summary. There is no required tax withholding in connection with the exercise of incentive stock options. Upon the ultimate disposition of the stock obtained on an exercise of an incentive stock option, the employee's entire gain will be taxed at the rates applicable to long-term capital gains, provided the employee has satisfied the prescribed holding periods relating to incentive stock options and the underlying stock. This treatment will apply to the entire amount of gain recognized on the sale of the stock, including the portion of gain that reflects the spread on the date of exercise between the fair market value of the stock at the time of grant and the fair market value of the stock at the time of exercise.

The Company does not receive a compensation deduction for tax purposes with respect to incentive stock options. However, if the employee disposes of the stock purchased on exercise of the incentive stock option prior to the expiration of the applicable holding periods required by Section 422 of the Code, the Company will be entitled to a deduction equal to the employee's realization of ordinary income by virtue of the employee's disqualifying disposition.

Non-qualified stock options granted under the SIP will not qualify for any special tax benefits to the option holder. An option holder generally will not recognize any taxable income at the time he or she is granted a non-qualified option. However, upon its exercise, the option holder will recognize ordinary income for federal tax purposes measured by the

excess of the fair market value of the shares at the time of exercise over the exercise price. The income realized by the option holder will be subject to income and other employee withholding taxes.

The option holder's basis for determination of gain or loss upon the subsequent disposition of shares acquired upon the exercise of a non-qualified stock option will be the amount paid for such shares plus any ordinary income recognized as a result of the exercise of such option. Upon disposition of any shares acquired pursuant to the exercise of a non-qualified stock option, the difference between the sale price and the option holder's basis in the shares will be treated as a capital gain or loss and generally will be characterized as long-term capital gain or loss if the shares have been held for more than one year at the time of their disposition.

In general, there will be no federal income tax deduction allowed to the Company upon the grant or termination of a non-qualified stock option or a sale or disposition of the shares acquired upon the exercise of a non-qualified stock option. However, upon the exercise of a non-qualified stock option by a holder, the Company will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that an option holder is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed under the Code.

Stock Grants and Stock Appreciation Rights. With respect to stock grants and stock appreciation rights that may be settled either in cash or in shares that are either transferable or not subject to a substantial risk of forfeiture, the grantee will realize ordinary taxable income, subject to tax withholding, equal to the amount of the cash or the fair market value of the shares received. The Company will be entitled to a deduction in the same amount and at the same time as the compensation income is received by the grantee. With respect to restricted stock award shares that are both nontransferable and subject to a substantial risk of forfeiture, the award recipient will realize ordinary taxable income equal to the fair market value of the shares at the first time the shares are either transferable or not subject to a substantial risk of forfeiture. The Company will be entitled to a deduction in the same amount and at the same time as the ordinary taxable income realized by the grantee.

Some awards, such as restricted stock unit awards, may be considered to be deferred compensation subject to special federal income tax rules under Section 409A of the Code. Failure to satisfy the applicable requirements under Section 409A of the Code for such awards would result in the acceleration of income and additional income tax liability to the grantee, including certain penalties. The SIP and awards under the SIP are intended to be designed and administered so that any awards that are considered to be deferred compensation will not result in negative tax consequences to the grantees under Section 409A of the Code.

All of the above-described deductions are subject to the limitations on deductibility described in Section 162(m) of the Code. Although the Company intends that options and stock appreciation rights and performance-based stock grants under the SIP will satisfy the "performance-based compensation" exception under Section 162(m) of the Code and will be fully deductible by the Company, several requirements must be satisfied for an award to qualify for this exception. Therefore, there can be no assurance that compensation attributable to SIP awards will be fully deductible under all circumstances. In addition, some awards under the SIP, such as non-performance-based stock grants, generally will not qualify for the "performance-based compensation" exception and therefore may not be deductible by the Company as a result of the limitations of Section 162(m) of the Code. In addition, as a result of the provisions of Section 280G of the Code, compensation paid to certain employees resulting from vesting of awards in connection with a change in control of the Company also may not be deductible.

The foregoing is only a summary of the effect of federal income taxation upon the award recipient and the Company with respect to the grant and exercise of awards under the SIP, does not purport to be complete and does not discuss the tax consequences of the recipient's death or the income tax laws of any municipality, state or foreign country in which a recipient may reside.

Board Recommendation

In order to pass, this Proposal 4 must receive the affirmative vote of a majority of the votes cast on the Proposal. The Board of Directors believes that the approval of Proposal 4 is in the best interests of the Company and its shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

PROPOSAL 5

AN AMENDMENT TO THE COMPANY'S 2010 STOCK
INCENTIVE PLAN TO INCREASE SHARES
AVAILABLE FOR ISSUANCE

On March 23, 2016, the Compensation Committee approved, pursuant to approval by the Board of Directors, an additional amendment to the SIP, which provides for a 1,200,000 share increase in the aggregate number of shares of the Company's common stock that may be subject to future awards under the SIP, subject to shareholder approval. Therefore, this amendment will not become effective if the shareholders do not approve it.

This amendment is proposed in order to give the Company flexibility to grant incentive and non-qualified stock options, stock appreciation rights, and restricted stock and restricted stock units under the SIP. As evidenced by our long-standing practice of granting performance-based stock awards with additional time-based vesting conditions, the Company believes that grants of stock-based awards help to motivate high levels of performance, incentivize long-term employee retention, and provide an effective means of recognizing employee contributions to the success of the Company. Moreover, stock-based award grants align the interests of the employees with the interests of the shareholders. When the Company performs well, employees are rewarded along with other shareholders. The Company believes that stock-based award grants are of great value in recruiting and retaining highly qualified technical and other key personnel who are in great demand. The Board of Directors believes that the ability to grant stock-based awards will be important to the Company's future success by allowing it to remain competitive in attracting and retaining such key personnel.

If this amendment is approved by shareholders, the shares available for future awards will increase to 3,993,832 based on the 2,793,832 shares remaining available for grant under the SIP as of December 31, 2015.

A summary of the number of shares subject to outstanding awards under the SIP, the PSP, and the ISO as of December 31, 2015, is as follows:

Unvested stock options	105,000
Vested stock options	164,589
Restricted stock grants not yet awarded	5,154,978
Unvested awarded restricted stock grants	2,724,208
Total number of shares subject to outstanding awards	8,148,775

With respect to the outstanding stock options, as of December 31, 2015, the weighted average exercise price was \$18.48, and the weighted average remaining contractual term was 2.2 years. With respect to the outstanding restricted stock grants, 87.08% are performance-based grants that include additional time-based vesting conditions. The measurement periods for the performance conditions that must be satisfied for the awarding of these grants range from 5 to 7 years, and the additional time-based conditions require at least 5 years, and as many as 20 years, of service for full vesting of the awarded grants. More than 50 percent of the unvested awarded restricted stock grants are PSP grants that have satisfied the performance condition required for awarding, but remain unvested subject to the satisfaction of an additional 15-year service condition.

We endeavor to ensure that the design and administration of the SIP, including the SIP amendment that is the subject of this proposal, are consistent with the policies and limitations recommended by independent shareholder advisory groups, such as Institutional Shareholder Services ("ISS"). One of the most significant aspects of the ISS evaluation of the proposed available share increase is the projected cost or "shareholder value transfer" of the amended SIP relative to the Company's market and industry peers. This shareholder value transfer evaluation takes into account all of the Company's outstanding option and restricted stock grants under the SIP, the PSP, and the ISO Plan, referred to as "overhang." Under the ISS analysis, a high overhang increases the projected shareholder value transfer cost of a proposed increase in available shares under a plan like the SIP. As a result of the relatively lengthy service conditions that the Company has applied to performance-based awards granted under the PSP and the SIP, our overhang is significantly higher than it would be if we granted shares subject to shorter vesting periods, or granted shares that become vested immediately upon satisfaction of performance conditions. Therefore, our emphasis on both pay-for-performance and long-term employee retention in the design of our restricted stock grants limits the number of additional shares that we are able to propose to the shareholders within the policies and limitations recommended

by ISS.
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Based on the shares available for future grants under the SIP and the outstanding awards under the SIP, the PSP, and the ISO Plan as of December 31, 2015, if the shareholders approve the amendment to the SIP, the number of shares subject to outstanding awards and available for future grants would be as follows:

Shares subject to outstanding awards under the SIP, PSP, and ISO Plan	8,148,775
Shares available for future grants under the SIP	3,993,832
Total shares	12,142,607

Based on the 138,985,058 shares outstanding on December 31, 2015, this total number of shares subject to outstanding awards and available for future grants under the SIP, if the shareholders approve the amendment to the SIP, would be 8.03% of the fully diluted outstanding shares.

The Company's three-year average burn rate, based upon the total number of options and restricted stock granted, is shown below:

Year	Options Granted	Restricted Stock Granted	Weighted Average Number of Common Shares Outstanding — Basic	Burn Rate
2015	0	481,166	141,113,433	0.34%
2014	0	422,572	144,567,574	0.29%
2013	0	3,719,974	144,661,658	2.57%
Three-year average burn rate				1.07%

However, the Company's three-year average burn rate, taking into consideration only time-based restricted stock and performance-based restricted stock grants for which the performance conditions have been satisfied, is shown below:

Year	Options Granted	Time-Based Restricted Stock Granted and Performance-Based Restricted Stock Awarded	Weighted Average Number of Common Shares Outstanding — Basic	Burn Rate
2015	0	164,646	141,113,433	0.12%
2014	0	113,088	144,567,574	0.08%
2013	0	1,088,236	144,661,658	0.75%
Three-year average burn rate				0.32%

Past Grants Under the SIP; New Plan Benefits

The only grants made under the SIP are performance stock and restricted stock grants to eligible employees, and annual grants of stock to non-employee Directors as described in this proxy statement in the section titled, "Director Compensation." No stock options or stock appreciation rights have been granted under the SIP.

All awards under the SIP are made at the discretion of the Compensation Committee. Therefore, the benefits and amounts that will be received or allocated under the SIP in the future are not determinable at this time. The stock grants made under the SIP during 2015, which would not have changed if the proposed SIP amendment to increase the number of shares authorized for issuance under Proposal 5 had been in place, were as follows:

Name and Position	Dollar Value(1)	Number of Shares
J. Powell Brown, Chief Executive Officer and President	\$ 399,993	12,646
R. Andrew Watts, Chief Financial Officer Executive Vice President and Treasurer	\$ 349,986	11,065
Charles H. Lydecker, Executive Vice President and Regional President – Retail Division	\$ 199,996	6,323

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J. Scott Penny, Executive Vice President and Chief Acquisitions Officer	\$ 199,996	6,323
Anthony T. Strianese, Executive Vice President and President – Wholesale Brokerage Division	\$ 324,998	10,275
Chris L. Walker, Executive Vice President and President – Programs Division	\$ 199,996	6,323
Current executive officers as a group	\$ 1,474,970	46,632
Current non-employee directors as a group	\$ 499,730	15,700
Employees other than executive officers as a group	\$ 12,993,742	434,534

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(1)

Amounts reflect the aggregate grant date fair value of awards computed in accordance with Statement of Financial Accounting Standards ASC Topic 718 (formerly “SFAS 123(R)”).

Additional information regarding the SIP is set forth above in Proposal 4 and in Appendix A, and shareholders are urged to review both Proposal 4 and Appendix A in connection with voting on this proposal. A vote in favor of Proposal 5 constitutes an approval of an amendment to the SIP to increase the total number of shares available for awards under the SIP.

Board Recommendation

In order to pass, this Proposal 5 must receive the affirmative vote of a majority of the votes cast on the Proposal. The Board of Directors believes that the approval of Proposal 5 is in the best interests of the Company and its shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” THIS PROPOSAL.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2015, with respect to compensation plans under which the Company's equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(a)(1)	Weighted-average exercise price of outstanding options, warrants and rights(b)(2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(c)(3)
Equity compensation plans approved by shareholders:			
Brown & Brown, Inc. 2000 Incentive Stock Option Plan	269,589	\$ 18.48	—
Brown & Brown, Inc. 2010 Stock Incentive Plan	N/A	N/A	2,793,832
Brown & Brown, Inc. 1990 Employee Stock Purchase Plan	N/A	N/A	5,194,928
Brown & Brown, Inc. Performance Stock Plan	N/A	N/A	—
Total	269,589	\$ 18.48	7,988,760
Equity compensation plans not approved by shareholders	—	—	—

(1)

In addition to the number of securities listed in this column, 2,724,208 shares are issuable upon the vesting of restricted stock granted under the Brown & Brown, Inc. Performance Stock Plan and the Brown & Brown, Inc. 2010 Stock Incentive Plan, which represents the maximum number of shares that can vest based on the achievement of certain performance criteria.

(2)

The weighted-average exercise price excludes outstanding restricted stock as there is no exercise price associated with these equity awards.

(3)

All of the shares available for future issuance under the Brown & Brown, Inc. 2000 Incentive Stock Option Plan, the Brown & Brown, Inc. Performance Stock Plan, and the Brown & Brown, Inc. 2010 Stock Incentive Plan may be issued in connection with options, warrants, rights, restricted stock, or other stock-based awards.

ADDITIONAL EQUITY COMPENSATION PLAN INFORMATION

The following is the Company's overhang information, which measures the number of shares subject to equity-based awards outstanding but unexercised or unvested, as of March 23, 2016, for all of the Company's existing equity compensation plans, as well as certain other information relating to outstanding awards under the plans:

Stock options outstanding: 205,000

Weighted average exercise price of outstanding stock options: \$18.48

Weighted average remaining contractual term of outstanding stock options: 1.9 years

Restricted stock grants not yet awarded: 4,026,033

Unvested awarded restricted stock grants: 4,160,423

Shares available for future grants under the SIP: 2,006,963

Total shares of common stock shares outstanding: 140,188,058

PROPOSALS OF SHAREHOLDERS

Proposals of shareholders intended to be presented at the 2017 Annual Meeting of Shareholders must be received by us no later than November 24, 2016 to be included in our proxy statement and form of proxy related to that meeting. In addition, the proxy solicited by the Board of Directors for the 2017 Annual Meeting of Shareholders will confer discretionary authority to vote on any shareholder proposal presented at that Meeting, unless we are provided with written notice of such proposal by February 7, 2017. All shareholder proposals should be sent to our Corporate Secretary at 220 S. Ridgewood Ave., Daytona Beach, Florida 32114.

OTHER MATTERS

Our 2015 Annual Report to Shareholders (the “Annual Report”) accompanies this Proxy Statement. We will provide to any shareholder, upon the written request of such person, a copy of our Annual Report on Form 10-K, including the financial statements and the exhibits thereto, for the fiscal year ended December 31, 2015, as filed with the SEC pursuant to Rule 13a-1 under the Securities Exchange Act of 1934, as amended. Any such request should be directed to Brown & Brown, Inc., 220 S. Ridgewood Ave., Daytona Beach, Florida 32114 Attention: Corporate Secretary. No charge will be made for copies of such Annual Report on Form 10-K; however, a reasonable charge will be made for copies of the exhibits.

Only one copy of this Proxy Statement and the accompanying Annual Report is being delivered to shareholders who share an address, unless we have received contrary instructions from one or more of such shareholders. We will promptly deliver a separate copy of this Proxy Statement and the accompanying Annual Report to any shareholder at a shared address to which a single copy of these documents has been delivered upon our receipt of a written or oral request from that shareholder directed to the address shown above, or to us at (386) 252-9601. Any shareholder sharing a single copy of the Proxy Statement and Annual Report who wishes to receive a separate mailing of these materials in the future, or any shareholders sharing an address and receiving multiple copies of these materials who wish to share a single copy of these documents in the future, should also notify us at the address shown above.

The material referred to in this Proxy Statement under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Report of the Audit Committee” shall not be deemed soliciting material or otherwise deemed filed, and shall not be deemed to be incorporated by any general statement of incorporation by reference in any filings made under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

By Order of the Board of Directors

Robert W. Lloyd
Corporate Secretary
Daytona Beach, Florida
March 24, 2016
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Annex A

RECONCILIATION OF NON-GAAP MEASURES

This proxy statement contains references to organic revenue growth, which is a non-GAAP financial measure. A reconciliation of this non-GAAP financial information to our GAAP information is contained in this Annex A.

Brown & Brown, Inc.

INTERNAL GROWTH SCHEDULE

Organic Revenue Growth(1)

Twelve Months Ended December 31, 2015 and 2014

(in millions, unaudited)

	Year Ended		Change		Acquisition Revenues	Organic Revenue Growth(1)	
	12/31/2015	12/31/2014	\$	%		\$	%
Retail(2)	\$ 836.1	\$ 789.5	\$ 46.6	5.9%	\$ 35.6	\$ 11.0	1.4%
National Programs	412.9	367.7	45.2	12.3%	38.5	6.7	1.8%
Wholesale Brokerage	200.8	187.3	13.5	7.2%	2.5	11.0	5.9%
Services	145.4	136.1	9.3	6.8%	—	9.3	6.8%
Total Core Comm. and Fees	\$ 1,595.2	\$ 1,480.6	\$ 114.6	7.7%	\$ 76.6	\$ 38.0	2.6%

(1)

“Organic Revenue” is defined as total commissions and fees less (i) the first twelve months of net commission and fee revenues generated from acquisitions accounted for as purchases less (ii) profit-sharing contingent commissions (revenues from insurance companies based upon the volume and the growth and/or profitability of the business placed with such companies during the prior year — “Contingents”), less (iii) guaranteed supplemental commissions (commissions from insurance companies based solely upon the volume of the business placed with such companies during the current year — “GSCs”), and less (iv) divested business (net commissions and fees generated from offices, books of business or niche businesses sold by the Company) with the associated revenue removed from the corresponding period of the prior year.

(2)

The Retail Segment includes commissions and fees, which will be reported in the “Other” column of the Segment Information in the Notes to the Consolidated Financial Statements on the Company’s Form 10-K, which includes corporate and consolidation items.

Brown & Brown, Inc.

RECONCILIATION OF INTERNAL GROWTH SCHEDULE TO TOTAL COMMISSIONS AND FEES

Included in the Consolidated Statements of Income

Three and Twelve Months Ended December 31, 2015 and 2014

(in millions, unaudited)

	Year Ended	
	12/31/2015	12/31/2014
Total Core Commissions and Fees	\$ 1,595.2	\$ 1,480.6
Profit-Sharing Contingent Commissions	51.8	57.7
Guaranteed Supplemental Commissions	10.0	9.9
Divested Businesses	—	19.3

Total Commissions and Fees	\$ 1,657.0	\$ 1,567.5
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Appendix A

BROWN & BROWN, INC.

2010 STOCK INCENTIVE PLAN

1. Establishment, Purpose and Term of Plan.

1.1 Establishment. Brown & Brown, Inc. 2010 Stock Incentive Plan (the “Plan”) was established effective as of March 9, 2010 (the “Effective Date”). The Plan was subsequently amended as follows: (i) effective December 15, 2015, the Plan was amended to permit the use of methods in addition to the delivery of share certificates in order to issue shares of Stock pursuant to awards granted under the Plan; (ii) effective January 20, 2016, the Plan was amended to authorize the grant of restricted stock units; and (iii) effective February 19, 2016, the Plan was amended to add minimum vesting requirements for Options and Stock Appreciation Rights and modify the provision for adjustment of performance targets and the related level of achievement under certain Stock Grants; and (iv) effective March 23, 2016, the Plan was amended to increase the number of shares authorized to be issued under the Plan and expressly state that shares acquired by the Corporation under certain circumstances will not again be available for issuance under the Plan. This restatement of the Plan incorporates the Plan amendments from the Effective Date to March 23, 2016.

1.2 Purpose. The purpose of the Plan is to promote the success of the Corporation and its stockholders by attracting and retaining Employees and Directors by supplementing their cash compensation and providing a means for them to increase their holdings of Stock of the Corporation. The opportunity so provided and the receipt of Awards as compensation are intended to foster in participants a strong incentive to put forth maximum effort for the continued success and growth of the Corporation for the benefit of customers and stockholders, to aid in retaining individuals who put forth such efforts, and to assist in attracting the best available individuals in the future. Awards granted under the Plan may be Incentive Stock Options, Nonqualified Stock Options, Stock Grants, and Stock Appreciation Rights. Such Awards will be granted to certain Employees and Directors to recognize and reward outstanding individual performance.

1.3 Term of Plan. The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued. However, all Awards shall be granted, if at all, within ten (10) years from the Effective Date. Notwithstanding the foregoing, if the maximum number of shares of Stock issuable pursuant to the Plan as provided in Section 4.1 has been increased at any time, all Awards shall be granted, if at all, within ten (10) years from the date such amendment was adopted by the Board.

2. Definitions and Constructions; Sub-Plans.

2.1 Definitions. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) “Award” means an Option, Stock Appreciation Right or Stock Grant.

(b) “Award Agreement” means a written or electronic agreement between the Corporation and a Grantee setting forth the terms, conditions and restrictions of an Award granted to the Grantee.

(c) “Board” means the Board of Directors of the Corporation.

(d) “Code” means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(e) “Committee” means the Compensation Committee of the Board or such other committee of the Board duly appointed to administer the Plan, and being composed and having such powers as are specified in the Plan or by the Board as generally provided for in the Plan.

(f) “Corporation” means Brown & Brown, Inc., a Florida corporation, or any successor corporation thereto.

(g) “Director” means a member of the Board.

(h) “Disability” means, with respect to a particular Grantee, that he or she is entitled to receive benefits under the long-term disability plan of the Corporation or a Subsidiary, as applicable, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the person’s occupation at the time when such disability commenced, or, if the Grantee was retired when such disability commenced, the inability to engage in any substantial gainful activity, in either case as determined by the Committee based upon medical evidence acceptable to it.

- (i) “Employee” means any person treated as an employee (including an officer or a Director who is also treated as an employee) in the records of the Corporation or its Subsidiaries.
- (j) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (k) “Fair Market Value” means, as of any date, the closing price of the Stock on the New York Stock Exchange, Inc. (as published by The Wall Street Journal, if published) on such date, or if the Stock was not traded on such day, on the next preceding day on which the Stock was traded.
- (l) “Grantee” means a person who has been granted one or more Awards under this Plan.
- (m) “Incentive Stock Option” means an Option so denominated in the Award Agreement and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.
- (n) “Nonqualified Stock Option” means an Option so denominated or which does not qualify as an Incentive Stock Option.
- (o) “Option” means a right to purchase Stock (subject to adjustment as provided in Section 4.2) pursuant to the terms and conditions of the Plan. An Option may be either an Incentive Stock Option or a Nonqualified Stock Option.
- (p) “Ownership Change Event” shall mean the occurrence of any of the following with respect to the Corporation:
 - (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Corporation of more than fifty percent (50%) of the voting stock or beneficial ownership of the Corporation;
 - (ii) a merger or consolidation in which the Corporation is a party; or
 - (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Corporation.
- (q) “Rule 16b-3” means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.
- (r) “Stock” means the Corporation’s common stock, \$.10 par value, as adjusted from time to time in accordance with Section 4.2.
- (s) “Stock Appreciation Right” or “SAR” has the meaning set forth in Section 7 of the Plan.
- (t) “Stock Grant” means shares of Stock or units representing rights to receive shares of Stock that are granted to a Grantee pursuant to Section 8 of the Plan.
- (u) “Subsidiary” means any present or future “subsidiary corporation” of the Corporation, as defined in Section 424(f) of the Code.
- (v) “Ten Percent Owner Grantee” means a Grantee who, at the time an Option is granted to the Grantee, owns stock constituting more than ten percent (10%) of the total combined voting power of all classes of stock of Corporation within the meaning of Section 422(b)(6) of the Code. For the purpose of determining under any provision of this Plan whether a Grantee owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation, attribution rules contained in Section 424(d) of the Code shall apply.
- (w) “Transfer of Control” shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, the “Transaction”) wherein the stockholders of the Corporation immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Corporation’s voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Corporation or the corporation or corporations to which the assets of the Corporation were transferred (the “Transferee Corporation(s)”), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporation which, as a result of the Transaction, own the Corporation or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Committee shall have the right to determine whether multiple sales or exchanges of the voting stock of the Corporation or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural, the plural shall include the singular, and the term “or” shall include the conjunctive as well as the disjunctive.

2.3 Sub-Plans for Foreign Subsidiaries. The Board may adopt sub-plans applicable to particular foreign Subsidiaries. All Awards granted under such sub-plans shall be treated as grants under the Plan. The rules of such sub-plans may take precedence over other provisions of the Plan, with the exception of Section 4, but unless otherwise superseded by the terms of such sub-plan, the provisions of the Plan shall govern the operation of such sub-plan.

3. Administration.

3.1 Administration. The Plan shall be administered by the Committee which shall be duly appointed by the Board. All questions of interpretation of the Plan or of any Award shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Plan or such Award. The composition of the Committee shall at all times comply with the requirements of Rule 16b-3 under the Exchange Act and with the requirements of Section 162(m) of the Code, and all members of the Committee shall be “non-employee directors” as defined by Rule 16b-3 and “outside directors” as referred to in Section 162(m).

3.2 Powers of the Committee. The Committee shall have full power and authority with respect to the Plan, except those specifically reserved to the Board, and subject at all times to the terms of the Plan and any applicable limitations imposed by law. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its sole discretion:

- (a) to grant Awards in the forms of Options, Stock Appreciation Rights and Stock Grants, and to determine the persons to whom, and the time or times at which, Awards shall be granted and the types and amounts of such Award, which determination need not be uniform among persons similarly situated and may be made selectively among Employees and Directors;
- (b) to designate Options as Incentive Stock Options or Nonqualified Stock Options;
- (c) to determine the terms, conditions and restrictions applicable (which need not be identical) to each Award, including, without limitation, (i) the exercise price of an Option or SAR, (ii) the method of payment for shares purchased upon the exercise of an Option, (iii) the method for satisfaction of any tax withholding obligations arising in connection with an Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability of Options and SARs, (v) the time of the expiration of an Award, (vi) the effect of the Grantee’s termination of employment or service with Corporation on any of the foregoing, and (vii) all other terms, conditions and restrictions applicable to an Award or such shares not inconsistent with the terms of the Plan;
- (d) to approve one or more forms of Award Agreement;
- (e) to amend the exercisability of any Option or SAR, including with respect to the period following a Grantee’s termination of employment or service with the Corporation;
- (f) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the tax policy or custom of, foreign jurisdictions whose citizens may be granted Awards;
- (g) to correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent consistent with the Plan and applicable law;
- (h) to establish performance goals on which the vesting of the Awards are based;
- (i) to certify in writing that such performance goals referred to in subsection (h) above have been met; and
- (j) to modify or amend each Award, provided however that the Committee may not modify or amend any outstanding Option or SAR so as to specify a lower exercise price, or accept the surrender of an outstanding Option or SAR and authorize the granting of a new Option or SAR with a lower exercise price in substitution for such surrendered Option or SAR, or buy out, for a payment in cash or shares of Stock, an outstanding Option or SAR.

4. Shares Subject to Plan.

4.1 Shares Issuable. Subject to adjustment as provided in Section 4.2 and this Section 4.1, the aggregate number of shares of Stock that are authorized to be issued under the Plan is 7,153,543, which consists of (i) the 5,953,543 shares of Stock that were authorized to be issued under the Brown & Brown, Inc. Performance Stock Plan (the “Performance Stock Plan”) and that were not subject to awards granted under the Performance Stock Plan and outstanding as of the Effective

Date, plus (ii) an additional 1,200,000 shares of Stock. If any portion of an outstanding Award for any reason expires or is terminated or canceled or forfeited, the shares of Stock allocable to the expired, terminated, canceled, or forfeited portion of such Award shall again be available for issuance under the Plan. In addition, if any portion of an outstanding award that was granted prior to the Effective Date under the Performance Stock Plan for any reason expires or is terminated or canceled or forfeited on or after the Effective Date, the shares of Stock allocable to the expired, terminated, canceled, or forfeited portion of such Performance Stock Plan award shall be available for issuance under the Plan. Awards made in connection with the assumption of, or substitution for, outstanding awards previously granted to individuals who become Employees of the Corporation or a Subsidiary as a result of any merger, consolidation, acquisition of property or stock, or reorganization, shall not count against the limitations set forth in this Section 4. All of the shares of Stock available for Awards under the Plan shall be available for issuance pursuant to the exercise of Incentive Stock Options granted under the Plan. With respect to Stock Appreciation Rights, if the payment upon exercise of a SAR is in the form of shares of Stock, the shares of Stock subject to the SAR shall be counted against the available shares as one share for every share subject to the SAR, regardless of the number of Shares used to settle the SAR upon exercise. Similarly, in the event that any Option or other Award is exercised through the tendering of shares of Stock or by the withholding of shares of Stock by the Corporation, or withholding tax liabilities arising from such Option or other Award are satisfied by the tendering of shares of Stock or by the withholding of shares of Stock by the Corporation, the shares of Stock subject to such Option or other Award shall be counted against the available shares as one share for every share subject to the Option or other Award, regardless of the number of shares of Stock issued upon exercise of the Option or other Award. In the event that (i) any Option or other Award granted under the Plan or any other plan maintained by the Corporation is exercised through the tendering of shares of Stock or by the withholding of shares of Stock by the Corporation, or (ii) withholding tax liabilities arising from such Options or Awards are satisfied by the tendering of shares of Stock or by the withholding of shares of Stock by the Corporation, or (iii) shares of Stock are repurchased by the Corporation using Option exercise proceeds, then the shares so tendered or withheld or repurchased shall not again be available for issuance under the Plan. The shares of Stock issued by the Corporation under this Plan may be, at the Corporation's option, evidenced by a share certificate delivered to the Grantee, or other physical or electronic evidence of Stock ownership, including, without limitation, deposit of shares into a stock brokerage account maintained for the Grantee or credit to a book-entry account for the benefit of the Grantee maintained by the Corporation's stock transfer agent or its designee.

4.2 Adjustments for Changes in Capital Structure. In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar event or change in the capital structure of the Corporation, appropriate adjustments shall be made in the number and class of shares available for issuance under the Plan as set forth in Section 4.1, and in the number and class of shares of any outstanding Awards, and in the annual limits set forth in Sections 6, 7, and 8. If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "New Shares"), the Committee shall amend the outstanding Options and SARs to provide that such Options and SARs are exercisable for or with respect to New Shares. In the event of any such amendment, the number of shares subject to, and any exercise price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its sole discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 4.2 shall be rounded down to the nearest whole number, as determined by the Committee, and in no event may the exercise price be decreased to any amount less than the par value, if any, of the stock subject to an Option or SAR. The adjustments determined by the Committee pursuant to this Section 4.2 shall be final, binding and conclusive.

5. Eligibility and Limitations.

5.1 Persons Eligible for Awards. Awards may be granted only to Employees and Directors, as designated by the Committee in its sole discretion. Only Employees shall be eligible to receive grants of Incentive Stock Options. The Committee's designation of a person as a participant in any year does not require the Committee to designate that person to receive an Award under this Plan in any other year or, if so designated, to receive the same Award as any other participant in any year. The Committee may consider such factors as it deems pertinent in selecting participants and in determining the amount of their respective Awards, including, but without being limited to: (a) the financial condition of the Corporation or a Subsidiary; (b) expected profits for the current or future years; (c) the contributions

of a prospective participant to the profitability and success of the Corporation or a Subsidiary; and (d) the adequacy of the prospective participant's other compensation. The Committee, in its discretion, may grant Awards to a participant under this Plan, even though stock, stock options, stock appreciation rights and other benefits previously were granted to him or her under this or another plan of the Corporation or a Subsidiary, whether or not the previously granted benefits have been exercised, but the participant may hold such Awards only on the terms and subject to the restrictions hereafter set forth. A person who has participated in another benefit plan of the Corporation or a Subsidiary may also participate in this Plan.

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5.2 Fair Market Value Limitation. To the extent that the aggregate Fair Market Value of stock with respect to which Options designated as Incentive Stock Options are exercisable by a Grantee for the first time during any calendar year (under all stock option plans of the Corporation, including this Plan) exceeds One Hundred Thousand Dollars (\$100,000), that portion of such Options which exceeds such amount shall be treated as Nonqualified Stock Options. For purposes of this Section 5.2, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of Stock shall be determined as of the time the Option with respect to such Stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 5.2, such different limitation shall be deemed incorporated herein, effective as of the date of and with respect to such Options as required or permitted by, such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonqualified Stock Option in part by reason of the limitation set forth in this Section 5.2, the Grantee may designate which portion of such Option the Grantee is exercising and may request that separate stock certificates (or other applicable evidence of Stock ownership, in accordance with Section 4.1 of the Plan) representing each such portion be issued upon the exercise of the Option. In the absence of such designation, the Grantee shall be deemed to have exercised the Incentive Stock Option portion of the Option first.

5.3 No Right of Grant or Employment. No Employee or Director shall have any claim or right to be granted an Award under the Plan, or, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither the Plan nor any action taken hereunder shall be construed as giving any Grantee any right to be retained in the employ or service of the Corporation or a Subsidiary, or interfere in any way with the right of the Corporation or its Subsidiaries to terminate such Grantee's employment or service at any time.

6. Terms and Conditions of Options. Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Employee or Director shall be granted in any calendar year Options to purchase more than five hundred thousand (500,000) shares of Stock. The limitation described in this Section 6 shall be adjusted proportionately in connection with any change in the Corporation's capitalization as described in Section 4.2 of the Plan. If an Option is canceled in the same calendar year in which it was granted, the canceled Option will be counted against the limitation described in this Section 6. Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions.

6.1 Exercise Price. The exercise price for each Option shall be established in the sole discretion of the Committee and, except as otherwise provided in this Section 6.1 or a sub-plan applicable to a particular foreign Subsidiary, shall be no less than the Fair Market Value of a share of Stock on the effective date of grant of the Option; provided, however, that an Incentive Stock Option granted to a Ten Percent Owner Grantee shall have an exercise price per share that is no less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of such Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonqualified Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

6.2 Exercise Period. An Option shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria, and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option; (b) no Incentive Stock Option granted to a Ten Percent Owner Grantee shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option; and (c) the terms of the Award Agreement evidencing each Option shall include a minimum vesting period of at least one (1) year from the date of grant of such Option.

6.3 Payment of Option Exercise Price.

(a) **Forms of Consideration Authorized.** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to the exercise of any Option shall be made (i) in cash, by check, or by cash equivalent, (ii) subject to the approval of the Committee, by tender to the Corporation of shares of Stock owned by the Grantee having a Fair Market Value (as determined by the Corporation without regard to any restrictions on transferability applicable to such Stock by reason of federal or state securities laws or agreements with an underwriter for the Corporation) not less than the exercise price, (iii) subject to the approval of the Committee, by

directing the Corporation to retain all or a portion of the shares of Stock otherwise issuable to the Grantee under the Plan pursuant to such exercise having a Fair Market Value equal to the aggregate exercise price, (iv) by the assignment of the proceeds of a sale or loan with respect to some or all of the shares of stock being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the

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Board of Governors of the Federal Reserve System) (a “Cashless Exercise”), (v) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (vi) by any combination thereof. The Committee may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 6.5 hereof, or by other means, grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of considerations.

(b) **Tender of Stock.** Notwithstanding the foregoing, an Option may not be exercised by tender to the Corporation of shares of Stock to the extent such tender would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Corporation’s Stock.

(c) **Cashless Exercise.** The Corporation reserves, at any and all times, the right, in the Corporation’s sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise.

6.4 Tax Withholding. The Corporation shall have the right, but not the obligation, to deduct from the shares of Stock issuable upon the exercise of an Option, a number of whole shares of Stock having a Fair Market Value, as determined by the Corporation, equal to all or any part of the federal, state, local and foreign taxes, if any, required by law to be withheld by the Corporation with respect to such Option. Alternatively, or in addition, in its sole discretion, the Corporation shall have the right to require the Grantee, through payroll withholding, cash payment or otherwise, including by means of a Cashless Exercise, to make adequate provision for any such tax withholding obligations of the Corporation arising in connection with the exercise. The Corporation shall have no obligation to deliver shares of Stock or cash, or to release shares of Stock from an escrow established pursuant to the Award Agreement, until the Corporation’s tax withholding obligations have been satisfied by the Grantee.

6.5 Standard Forms of Award Agreement.

(a) **Incentive Stock Options.** Unless otherwise provided by the Committee at the time the Option is granted, an Option designated as an “Incentive Stock Option” shall comply with and be subject to the terms and conditions set forth in the appropriate form of Incentive Stock Option Award Agreement as adopted by the Committee and as amended from time to time.

(b) **Nonqualified Stock Options.** Unless otherwise provided by the Committee at the time the Option is granted, an Option designated as a “Nonqualified Stock Option” shall comply with and be subject to the terms and conditions set forth in the appropriate form of Nonqualified Stock Option Award Agreement as adopted by the Committee and as amended from time to time.

(c) **Standard Term of Options.** Except as otherwise provided by the Committee in the grant of an Option, any Option granted hereunder shall have a term of ten (10) years from the effective date of grant of the Option.

(d) **Standard Vesting Provisions.** Except as otherwise provided by the Committee in the grant of an Option, and subject to the minimum vesting requirement described in Section 6.2 of the Plan, any Option granted hereunder shall become vested based upon the attainment of certain performance levels as described in the Award Agreement executed in connection with such Option.

(e) **Authority to Vary Terms.** The Committee shall have the authority from time to time to vary the terms of any of the standard forms of Award Agreement described in this Section 6.5 either in connection with the grant or amendment of any individual Option or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement shall be in accordance with the terms of the Plan. Subject to the minimum vesting requirement described in Section 6.2 of the Plan, the Committee, may in its discretion, provide for the extension of the exercise period of an Option, accelerate the vesting of an Option, eliminate or make less restrictive any restrictions contained in an Award Agreement, or waive any restriction or provision of this Plan or an Award Agreement in any manner that is either (i) not adverse to the Grantee or (ii) consented to by the Grantee.

6.6 Nontransferability of Options. During the lifetime of the Grantee, an Option shall be exercisable only by the Grantee or the Grantee’s guardian or legal representative. No Option shall be assignable or transferable by the Grantee, except by will or by the laws of descent and distribution. Following a Grantee’s death, the Option shall be exercisable to the extent provided in Section 6.7 below.

6.7 Effect of Termination of Service on Option Exercisability.

(a) Time of Service. No Option granted under this Plan may be exercised before the Grantee's completion of such period of service as may be specified by the Committee in the Award Agreement. Thereafter, or if no such period is specified, subject to the provisions of subsections (b), (c), (d), (e) and (f) of this Section 6.7 and the minimum vesting requirement described in Section 6.2 of the Plan, the Grantee may exercise the Option in full or in part at any time until expiration of the Option.

(b) Continued Employment. A Grantee cannot exercise an Option granted under this Plan unless, at the time of exercise, he has been continuously employed by the Corporation since the date such Option was granted. The Committee may decide in each case to what extent bona fide leaves of absence for illness, temporary disability, government or military service, or other reasons will not be deemed to interrupt continuous employment.

(c) Termination of Service. If a Grantee ceases to be an Employee or Director, except as provided in subsections (d), (e), (f) and (g) of this Section 6.7, the Option, to the extent unexercised and exercisable on the date of his or termination of employment or service, may be exercised by the Grantee within such period of time as is determined by the Committee and specified in the Award Agreement (but no later than the stated expiration date of the Option).

(d) Retirement. Except as otherwise provided by the Committee in the grant of an Option, if a Grantee ceases to be an Employee or Director as a result of retirement, the Option, to the extent unexercised and exercisable on the date of his or her retirement, may be exercised by the Grantee at any time prior to the expiration of three (3) months after the date on which he or she ceases to be an Employee or Director (but no later than the stated expiration date of the Option). An Employee or Director shall be regarded as retired if he terminates employment or service after his or her sixty-fifth (65th) birthday.

(e) Disability. Except as otherwise provided by the Committee in the grant of an Option, if the Grantee's employment or service with the Corporation is terminated because of the Disability of the Grantee, the Option, to the extent unexercised and exercisable on the date on which the Grantee's employment or service terminated, may be exercised by the Grantee (or the Grantee's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Grantee's service terminated, but in any event not later than the stated expiration date of the Option.

(f) Death. Except as otherwise provided by the Committee in the grant of an Option, if the Grantee's employment or service with the Corporation is terminated because of the death of the Grantee, the Option, to the extent unexercised and exercisable on the date on which the Grantee's employment or service terminated, may be exercised by the Grantee's legal representative or other person who acquired the right to exercise the Option by reason of the Grantee's death at any time prior to the expiration of twelve (12) months after the date on which the Grantee's employment or service terminated, but in any event no later than the stated expiration date of the Option.

(g) Termination After Transfer of Control. Except as otherwise provided by the Committee in the grant of an Option, if the Grantee's employment or service with the Corporation terminates by reason of Termination After Transfer of Control (as defined in Section 6.8 hereof), (i) the Option may be exercised by the Grantee at any time prior to the expiration of three (3) months from the date on which the Grantee's employment or service terminated, but in any event no later than the stated expiration date of the Option, and (ii) notwithstanding any other provision of the Award Agreement or this Plan to the contrary, the Grantee shall be deemed to have vested one hundred percent (100%) as of the date of such Termination After Transfer of Control.

6.8 Termination After Transfer of Control.

(a) "Termination After Transfer of Control" shall mean either of the following events occurring after a Transfer of Control:

(i) termination by the Corporation of the Grantee's employment or service with Corporation, within twelve (12) months following a Transfer of Control, for any reason other than Termination for Cause (as defined below); or

(ii) upon Grantee's Constructive Termination (as defined below), the Grantee's resignation from employment or service with the Corporation within twelve (12) months following the Transfer of Control.

Notwithstanding any provision herein to the contrary, Termination After Transfer of Control shall not include any termination of the Grantee's employment or service with the Corporation which: (i) is a Termination for Cause (as defined below); (ii) is a result of the Grantee's death or Disability; (iii) is a result of the Grantee's voluntary termination of employment or service other than upon Constructive Termination (as defined below); or (iv) occurs prior to the effectiveness of a Transfer of Control.

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(b) “Termination for Cause” shall mean termination by the Corporation of the Grantee’s employment or service with the Corporation for any of the following reasons: (i) theft, dishonesty, or falsification of any employment or Corporation records; (ii) improper use or disclosure of the Corporation’s confidential or proprietary information; (iii) the Grantee’s failure or inability to perform any reasonable assigned duties after written notice from the Corporation of, and a reasonable opportunity to cure, such continued failure or inability; (iv) any material breach by the Grantee of any employment agreement between the Grantee and Corporation, which breach is not cured pursuant to the terms of such agreement; or (v) the Grantee’s conviction of any criminal act which, in the Corporation’s sole discretion, impairs Grantee’s ability to perform his or her duties with Corporation. Termination for Cause pursuant to the foregoing shall be determined in the sole but reasonably exercised discretion of the Corporation.

(c) “Constructive Termination” shall mean any one or more of the following:

(i)
without the Grantee’s express written consent, the assignment to the Grantee of any duties, or any limitation of the Grantee’s responsibilities, substantially inconsistent with the Grantee’s positions, duties, responsibilities and status with the Corporation immediately prior to the date of a Transfer of Control;

(ii)
without the Grantee’s express written consent, the relocation of the principal place of the Grantee’s employment to a location that is more than fifty (50) miles from the Grantee’s principal place of employment immediately prior to the date of a Transfer of Control, or the imposition of travel requirements substantially more demanding of the Grantee than such travel requirements existing immediately prior to the date of a Transfer of Control;

(iii)
any failure by the Corporation to pay, or any material reduction by the Corporation of, (A) the Grantee’s base salary in effect immediately prior to the date of the Transfer of Control (unless reductions comparable in amount and duration are concurrently made for all other employees of the Corporation with responsibilities, organizational level and title comparable to the Grantee’s), or (B) the Grantee’s bonus compensation, if any, in effect immediately prior to the date of the Transfer of Control (subject to applicable performance requirements with respect to the actual amount of bonus compensation earned by the Grantee); or

(iv)
any failure by the Corporation to (A) continue to provide the Grantee with the opportunity to participate, on terms no less favorable than those in effect for the benefit of any employee group which customarily includes a person holding the employment position or a comparable position with Corporation then held by the Grantee, in any benefit or compensation plans and programs, including, but not limited to, the Corporation’s life, disability, health, dental, medical, savings, profit sharing, stock purchase and retirement plans, if any, in which the Grantee was participating immediately prior to the date of the Transfer of Control, or their equivalent, or (B) provide the Grantee with all other fringe benefits (or their equivalent) from time to time in effect for the benefit of any employee group which customarily includes a person holding the employment position or a comparable position with the Corporation then held by the Grantee.

7. Stock Appreciation Rights (SARs).

7.1 General. SARs shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Employee or Director shall be granted in any calendar year SARs covering more than five hundred thousand (500,000) shares of Stock. The limitation described in this Section 7 shall be adjusted proportionately in connection with any change in the Corporation’s capitalization as described in Section 4.2 of the Plan. If a SAR is canceled in the same calendar year in which it was granted, the canceled SAR will be counted against the limitation described in this Section 7. Award Agreements may incorporate all or any of the terms of the Plan by reference, and shall include such terms and conditions as shall be determined by the Committee in its sole discretion, including, without limitation, provisions relating to exercise price, vesting and exercisability; provided, however, that the terms of the Award Agreement evidencing each SAR shall

include a minimum vesting period of at least one (1) year from the date of grant of such SAR. Upon exercise of a SAR, the Grantee shall be entitled to receive payment from the Corporation in an amount determined by multiplying:

- (a) the excess of the Fair Market Value of a share of Stock on the date of exercise over the SAR exercise price; by
- (b) the number of shares of Stock with respect to which the SAR is exercised;

provided, that the Committee may provide in the Award Agreement that the benefit payable on exercise of an SAR shall not exceed such percentage of the Fair Market Value of a Share on the effective date of grant of such SAR as the Committee shall specify. As determined by the Committee, the payment upon exercise of an SAR may be in cash, in shares of Stock that have an aggregate Fair Market Value (as of the date of exercise of the SAR) equal to the amount of the payment, or in some combination thereof, as set forth in the Award Agreement.

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7.2 Effect of Termination of Service on SAR Exercisability.

(a) Time of Service. No SAR granted under this Plan may be exercised before the Grantee's completion of such period of service as may be specified by the Committee in the Award Agreement. Thereafter, or if no such period is specified, subject to the provisions of subsections (b), (c), (d), (e) and (f) of this Section 7.2 and the minimum vesting requirement described in Section 7.1 of the Plan, the Grantee may exercise the SAR in full or in part at any time until expiration of the SAR.

(b) Continued Employment. A Grantee cannot exercise a SAR granted under this Plan unless, at the time of exercise, he has been continuously employed by the Corporation since the date such SAR was granted. The Committee may decide in each case to what extent bona fide leaves of absence for illness, temporary disability, government or military service, or other reasons will not be deemed to interrupt continuous employment.

(c) Termination of Service. If a Grantee ceases to be an Employee or Director, except as provided in subsections (d), (e), (f) and (g) of this Section 7.2, the SAR, to the extent unexercised and exercisable on the date of his or termination of employment or service, may be exercised by the Grantee within such period of time as is determined by the Committee and specified in the Award Agreement (but no later than the stated expiration date of the SAR).

(d) Retirement. Except as otherwise provided by the Committee in the grant of a SAR, if a Grantee ceases to be an Employee or Director as a result of retirement, the SAR, to the extent unexercised and exercisable on the date of his or her retirement, may be exercised by the Grantee at any time prior to the expiration of three (3) months after the date on which he or she ceases to be an Employee or Director (but no later than the stated expiration date of the SAR). An Employee or Director shall be regarded as retired if he terminates employment or service after his or her sixty-fifth (65th) birthday.

(e) Disability. Except as otherwise provided by the Committee in the grant of a SAR, if the Grantee's employment or service with the Corporation is terminated because of the Disability of the Grantee, the SAR, to the extent unexercised and exercisable on the date on which the Grantee's employment or service terminated, may be exercised by the Grantee (or the Grantee's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Grantee's service terminated, but in any event not later than the stated expiration date of the SAR.

(f) Death. Except as otherwise provided by the Committee in the grant of a SAR, if the Grantee's employment or service with the Corporation is terminated because of the death of the Grantee, the SAR, to the extent unexercised and exercisable on the date on which the Grantee's employment or service terminated, may be exercised by the Grantee's legal representative or other person who acquired the right to exercise the SAR by reason of the Grantee's death at any time prior to the expiration of twelve (12) months after the date on which the Grantee's employment or service terminated, but in any event no later than the stated expiration date of the SAR.

(g) Termination After Transfer of Control. Except as otherwise provided by the Committee in the grant of a SAR, if the Grantee's employment or service with the Corporation terminates by reason of Termination After Transfer of Control (as defined in Section 6.8 hereof), (i) the SAR may be exercised by the Grantee at any time prior to the expiration of three (3) months from the date on which the Grantee's employment or service terminated, but in any event no later than the stated expiration date of the SAR, and (ii) notwithstanding any other provision of the Award Agreement or this Plan to the contrary, the Grantee shall be deemed to have vested one hundred percent (100%) as of the date of such Termination After Transfer of Control.

8. Stock Grants.

8.1 Authorization to Grant Stock Grants. Subject to the terms and conditions of the Plan, the Committee may grant Stock Grants to Employees or Directors from time to time. A Stock Grant may be made in shares of Stock or denominated in units representing rights to receive shares of Stock. Each Stock Grant shall be evidenced by an Award Agreement that shall set forth the conditions, if any, which will need to be timely satisfied before the Stock Grant will be effective, and the conditions, if any, which will need to be timely satisfied before the Stock Grant will be vested and settled, and the conditions, if any, under which the Grantee's interest in the related shares of Stock or units will be forfeited. Any such conditions for effectiveness or vesting and settlement or nonforfeitability may be based upon the passage of time and continued service by the Grantee, or the achievement of specified performance objectives, or both time-based and performance-base conditions. A Stock Grant that is made in shares of Stock that are subject to forfeiture and/or other conditions may be designated as an Award of "Restricted Stock." A Stock Grant that is

denominated in units that are subject to forfeiture and/or other conditions may be designated as an Award of "Restricted Stock Units." No Grantee may be granted Stock Grants relating to more than five hundred thousand (500,000) shares of Stock in any calendar year. Subject to any additional conditions set forth in the Award Agreement that evidences a Stock Grant, and subject to the applicable requirements of Section 409A of the Code, if the Grantee's employment or service with the Corporation terminates by

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reason of Termination After Transfer of Control (as defined in Section 6.8 hereof), the Stock Grant shall be deemed to have vested one hundred percent (100%) as of the date of such Termination After Transfer of Control.

8.2 Code Section 162(m) Provisions.

(a) Notwithstanding any other provision of the Plan, if the Compensation Committee of the Board (the “Compensation Committee”) determines at the time a Stock Grant is granted to a Grantee that such Grantee is, or may be as of the end of the tax year for which the Company would claim a tax deduction in connection with such Stock Grant, a “covered employee” within the meaning of Section 162(m)(3) of the Code, and to the extent the Compensation Committee considers it desirable for compensation delivered pursuant to such Stock Grant to be eligible to qualify for an exemption from the limit on tax deductibility of compensation under Section 162(m) of the Code, then the Compensation Committee may provide that this Section 8.2 is applicable to such Stock Grant under such terms as the Compensation Committee shall determine.

(b) If a Stock Grant is subject to this Section 8.2, then the lapsing of restrictions thereon and the distribution of shares of Stock pursuant thereto or payment, as applicable, shall be subject to satisfaction of one, or more than one, objective performance targets. The Compensation Committee shall determine the performance targets that will be applied with respect to each Stock Grant subject to this Section 8.2 at the time of grant, but in no event later than ninety (90) days after the commencement of the period of service to which the performance target(s) relate. Performance targets may be described in terms of Corporation-wide objectives or objectives that are related to the performance of the individual Grantee or the Subsidiary, division, department or function within the Corporation or Subsidiary in which the Grantee is employed. Performance may be measured on an absolute or relative basis. The performance criteria applicable to Stock Grants subject to this Section 8.2 will be one or more of the following criteria: (A) stock price; (B) market share; (C) sales; (D) earnings per share, core earnings per share or variations thereof; (E) return on equity; (F) costs; (G) revenue; (H) cash to cash cycle; (I) days payables outstanding; (J) days of supply; (K) days sales outstanding; (L) cash flow; (M) operating income; (N) profit after tax; (O) profit before tax; (P) return on assets; (Q) return on sales; (R) inventory turns; (S) invested capital; (T) net operating profit after tax; (U) return on invested capital; (V) total shareholder return; (W) earnings; (X) return on equity or average shareowners’ equity; (Y) total shareowner return; (Z) return on capital; (AA) return on investment; (BB) income or net income; (CC) operating income or net operating income; (DD) operating profit or net operating profit; (EE) operating margin; (FF) return on operating revenue; (GG) contract awards or backlog; (HH) overhead or other expense reduction; (II) growth in shareowner value relative to the moving average of the S&P 500 Index or a peer group index; (JJ) credit rating; (KK) strategic plan development and implementation; (LL) net cash provided by operating activities; (MM) gross margin; (NN) economic value added; (OO) customer satisfaction; (PP) financial return ratios; and/or (QQ) market performance.

(c) Notwithstanding any contrary provision of the Plan, the Compensation Committee may not increase the number of shares granted pursuant to any Stock Grant subject to this Section 8.2, nor may it waive the achievement of any performance target established pursuant to this Section 8.2. The Compensation Committee may adjust performance targets and the related level of achievement if, in the sole judgment of the Compensation Committee, events or transactions that are unusual in nature or infrequently occurring have occurred after the date of grant that are unrelated to the performance of the Grantee and result in distortion of the performance targets or the related level of achievement.

(d) Prior to the payment of any Stock Grant subject to this Section 8.2, the Compensation Committee shall certify in writing that the performance target(s) applicable to such Stock Grant was met.

(e) The Compensation Committee shall have the power to impose such other restrictions on Stock Grants subject to this Section 8.2 as it may deem necessary or appropriate to ensure that such Stock Grants satisfy all requirements for “performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code, the regulations promulgated thereunder, and any successors thereto.

8.3 Dividends, Voting, and Other Ownership Rights.

(a) Restricted Stock Awards. Unless otherwise provided by the Committee in the Award Agreement, an Award of Restricted Stock shall entitle the Grantee to dividend, voting and other ownership rights during the period for which the share(s) of Stock remain subject to forfeiture and/or other conditions, provided, however, that in the case of an Award of Restricted Stock that is conditioned on the attainment of performance goals, the Grantee shall not receive payment of any dividends unless and not earlier than such time as the Restricted Stock becomes earned or awarded

based on the attainment of the performance goals.

(b) Restricted Stock Unit Awards. Unless otherwise provided by the Committee in the Award Agreement, a Grantee shall not have any rights as a shareholder with respect to shares of Stock underlying an Award of Restricted Stock Units until such

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time, if any, as the Restricted Stock Units are settled and the underlying shares of Stock are actually issued to the Grantee. The Committee may provide in the Award Agreement for the payment of Dividend Equivalents (as defined below) to the Grantee at such times as paid to shareholders generally or at the time of vesting or other payout of the Restricted Stock Units, provided, however, that in the case of such an Award that is conditioned on the attainment of performance goals, the Grantee shall not receive payment of any Dividend Equivalents unless and not earlier than such time as the Restricted Stock Units become earned or awarded based on the attainment of the performance goals, and provided further, that if the payment or crediting of Dividend Equivalents is in respect of an Award that is subject to Section 409A of the Code, then the payment or crediting of such dividends or Dividend Equivalents shall conform to the requirements of Section 409A of the Code. "Dividend Equivalent" means a right to receive a payment equal to the amount of cash dividends and value of other distributions that would have been payable on shares of Stock subject to an Award during a period of time had such shares of Stock been issued to the Grantee during such period of time.

8.4 Deferral of Receipt of Payment. The Committee may permit or require a Grantee to defer receipt of the delivery of Shares that would otherwise be due by virtue of the grant of or the lapse or waiver of restrictions with respect to Awards of Restricted Stock Units. If any such deferral is required or permitted, the Committee shall establish such rules and procedures for such deferral, including rules and procedures implemented pursuant to Section 17 of the Plan for compliance with Section 409A of the Code.

9. Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or a committee thereof or as officers or employees of the Corporation, members of the Board, the Committee and any officers or employees of the Corporation to whom authority to act for the Board or Committee is delegated shall be indemnified by the Corporation against all reasonable expenses, including attorneys' fees, incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be party by reason of any action taken or failure to act under or in connection with the Plan, Award, or any right granted hereunder, and against all amounts in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Corporation, in writing, the opportunity at its own expense to handle and defend the same. Without limiting the generality of the foregoing, the Corporation shall pay the expenses (including reasonable attorneys' fees) of defending any such claim, action, suit or proceeds in advance of its final disposition, upon receipt of such person's written agreement to repay all amounts advanced if it should ultimately be determined that such person is not entitled to be indemnified under this Section 9.

10. Termination or Amendment of Plan. The Committee, without further approval of the stockholders of the Corporation, may terminate or amend this Plan at any time in any respect as the Committee deems advisable, subject to any required shareholder or regulatory approval and to any conditions established by the terms of such amendment. In any event, no termination or amendment of the Plan may adversely affect any then outstanding Award or any unexercised portion thereof without the consent of the Grantee, unless such termination or amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option or is necessary to comply with any applicable law or government regulation.

11. Dissolution of Corporation. Upon the dissolution of the Corporation, the Plan shall terminate and any and all Awards previously granted hereunder shall lapse on the date of such dissolution.

12. Rights as Stockholders. No Grantee, nor any beneficiary or other person claiming through an Grantee, shall have any interest in any shares of Stock allocated for the purposes of the Plan or that are subject to an Award until such shares of Stock shall have been issued to the Grantee or such beneficiary or other person. Furthermore, the existence of the Awards shall not affect the right or power of the Corporation or its stockholders to make adjustments, or to effect any recapitalization, reorganization, or other changes in the Corporation's capital structure or its business; to issue bonds, debentures, preferred or prior preference stocks affecting the Stock of the Corporation or the rights thereof; to dissolve the Corporation or sell or transfer any part of its assets or business; or to do any other corporate act, whether of a similar character or otherwise.

13. Application of Funds. The proceeds received by the Corporation from the sale of Stock pursuant to Options granted under this Plan will be used for general corporate purposes.

14. Choice of Law. The validity, interpretation, and administration of the Plan and of any rules, regulations, determinations, or decisions made thereunder, and the rights of any and all person having or claiming to have any interest

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therein or thereunder, shall be determined exclusively in accordance with the internal laws of the State of Florida. Without limiting the generality of the foregoing, the period within which any action in connection with Plan must be commenced shall be governed by the internal laws of the State of Florida without regard to the place where the act or omission complained of took place or the resident of any party to such action. Any action in connection with the Plan must be brought in the State of Florida, County of Hillsborough.

15. Number and Gender. Unless otherwise clearly indicated in this Plan, words in the singular or plural shall include the plural and singular, respectively, where they would so apply, and words in the masculine or neuter gender shall include the feminine, masculine or neuter gender where applicable.

16. Shareholder Approval. The Plan or any increase in the maximum number of shares of Stock issuable thereunder as provided in Section 4.1 hereof (the "Maximum Shares") shall be approved by the stockholders of the Corporation within twelve (12) months of the date of adoption thereof by the Board. Awards granted prior to shareholder approval of the Plan or in excess of the Maximum Shares previously approved by the stockholders shall become exercisable no earlier than the date of shareholder approval of the Plan or such increase in the Maximum Shares, as the case may be.

17. Code Section 409A. It is intended that the Plan and all Awards hereunder be administered in a manner that will comply with Section 409A of the Code. The Committee is authorized to adopt rules or regulations deemed necessary or appropriate to qualify for an exception from or to comply with the requirements of Section 409A of the Code. Without limiting the generality of the foregoing, if any amount shall be payable with respect to any Award hereunder as a result of a Grantee's "separation from service" at such time as the Grantee is a "specified employee" (as those terms are defined for purposes of Section 409A of the Code), and such amount constitutes a deferral of compensation subject to Section 409A of the Code, then no payment shall be made, except as permitted under Section 409A of the Code, prior to the date six months after the Grantee's separation from service (or the date of his or her earlier death). The Corporation may adopt a specified employee policy that will apply to identify the specified employees for all deferred compensation plans subject to Section 409A of the Code; otherwise, specified employees will be identified using the default standards contained in the regulations under Section 409A of the Code.

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APPENDIX A

BROWN & BROWN, INC.

UK STOCK PERFORMANCE PLAN

Brown & Brown, Inc., a corporation organized under the laws of the State of Florida, establishes, as a sub-plan of the Brown & Brown, Inc. 2010 Stock Incentive Plan, this UK Stock Performance Plan for the purposes of attracting and retaining Key Employees in the UK, providing an incentive for Key Employees in the UK to achieve long-range performance goals, and enabling Key Employees in the UK to share in the successful performance of the stock of Brown & Brown, Inc., as measured against pre-established performance goals.

ARTICLE I — DEFINITIONS AND INTERPRETATION

1.01 Award means a conditional right to acquire Stock granted pursuant to Article VI of this Plan under which the Key Employee shall not have any beneficial interest in that Stock until such time as the Award is Released to the Key Employee pursuant to Section 6.06 of this Plan.

1.02 Award Certificate means a certificate confirming an Award made to a Key Employee under this Plan.

1.03 Award Effective Date means the date on which an Award to a Key Employee becomes effective. An Award shall be effective (i) as of the date set by the Committee when the Award is granted or, (ii) if the Award is made subject to one, or more than one, condition under Section 6.03 of this Plan, as of the date that such condition or conditions are satisfied.

1.04 Award Release Date means the date on which Vested Stock is Released to the Key Employee.

1.05 Board means the Board of Directors of Brown & Brown, Inc.

1.06 Bonus means a cash amount in sterling equal to the aggregate of the dividends that would have been declared during the period between the Award Effective Date and the Award Release Date and payable to the Key Employee in respect of the Stock Released to the Key Employee pursuant to the relevant Award had that Stock been Released to the Key Employee on the Award Effective Date rather than the Award Release Date. Where such dividends would have been paid in US dollars the Committee shall convert such amounts into a sterling amount by reference to the exchange rate on the Award Release Date, such rate on that date to be determined by the Committee in its sole and absolute discretion.

1.07 Change in Control means (i) the acquisition of the power to direct, or cause the direction of, the management and policies of the Company by a person not previously possessing such power, acting alone or in conjunction with others, whether through ownership of Stock, by contract or otherwise, or (ii) the acquisition, directly or indirectly, of the power to vote twenty percent or more of the outstanding Stock by a person or persons. For purposes of this Section 1.07, the term "person" means a natural person, corporation, partnership, joint venture, trust, government or instrumentality of a government. Also for purposes of this Section 1.07, customary agreements with or among underwriters and selling group members with respect to a bona fide public offering of Stock shall be disregarded.

1.08 Code means the Internal Revenue Code of 1986, as amended.

1.09 Committee means the Compensation Committee of the Board or, if the Compensation Committee at any time has less than three members, a committee that shall have at least three members, each of whom shall be appointed by and shall serve at the pleasure of the Board.

1.10 Company means Brown & Brown, Inc., a corporation organized under the laws of the State of Florida.

1.11 Disability means a physical or mental condition of a Key Employee resulting from bodily injury, disease or mental disorder that renders him or her incapable of engaging in any occupation or employment for wage or profit. Disability does not include any physical or mental condition resulting from the Key Employee's engagement in a felonious act, self-infliction of an injury, or performance of military service. Disability of a Key Employee shall be determined by a properly qualified doctor selected by the Committee in its sole and absolute discretion.

1.12 Grant Date means the date on which the Award is granted, subject to the discretion of the Committee to determine that the Grant Date of an Award granted to an Original Employee in 2010 shall be April 30, 2008.

1.13 Group Company means the Company and any subsidiary of the Company (as defined in section 1159 of the Companies Act 2006).

- 1.14 Key Employee means a full time, salaried employee (including an executive director) of a Group Company who, in the judgment of the Committee acting in its sole and absolute discretion, is a key to the successful operation of the Company.
- 1.15 Original Employee means a Key Employee who was employed by a Group Company as of April 30, 2008.
- 1.16 Ownership Change Event means the occurrence of any of the following with respect to the Company:
- (a) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock or beneficial ownership of the Company;
 - (b) a merger or consolidation in which the Company is a party; or
 - (c) the sale, exchange, or transfer of all or substantially all of the assets of the Company.
- 1.17 Plan means this UK Stock Performance Plan.
- 1.18 Proportionate Number means the result of $A \times (B \div 15)$ where A is the aggregate number of shares of Stock in respect of which the Award has become effective and B is the number of Years of Vesting Service for a Group Company which have been completed by the Key Employee.
- 1.19 Release means the issue or transfer of Vested Stock to the Key Employee pursuant to Section 6.06 and “Released” shall be construed accordingly.
- 1.20 Stock means the common stock, \$0.10 par value, of the Company.
- 1.21 Tax means all forms of taxation, charge, duty, withholding or deduction in the nature of tax (including without limitation primary Class 1 national insurance contributions and, if so determined by the Committee, secondary Class 1 national insurance contributions) whatsoever and whenever created, enacted or imposed and whether of the United Kingdom or elsewhere and any amount whatever payable to any Tax Authority as a result of any enactment relating to tax together with all related fines, penalties, interest and surcharges.
- 1.22 Tax Authority means any statutory or governmental authority or body (whether of the United Kingdom or elsewhere) involved in the collection or administration of Tax.
- 1.23 Tax Liability means the liability of a Group Company or the trustee or trustees of any relevant employee share ownership trust to account for any amount of Tax in relation to the Vesting or Release of an Award.
- 1.24 Transfer of Control means an Ownership Change Event or a series of related Ownership Change Events (collectively, the “Transaction”) wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Company or the corporation or corporations to which the assets of the Company were transferred (the “Transferee Corporation(s)”), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporation which, as a result of the Transaction, own the Company or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Committee shall have the right to determine whether multiple sales or exchanges of the voting stock of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.
- 1.25 Vest means the Key Employee becoming entitled to have the Vested Stock Released to him or her and “Vesting” and “Vested” shall be construed accordingly.
- 1.26 Vested Stock means those shares of Stock in respect of which an Award has Vested.
- 1.27 Year of Vesting Service means, with respect to each Award, a twelve consecutive month period measured from the Grant Date of the Award and each successive twelve consecutive month period measured from each anniversary of such Grant Date for that Award.

Any reference in this Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-extended.

ARTICLE II — ELIGIBILITY

Only Key Employees shall be eligible to receive Awards under this Plan. The Committee, in its sole and absolute discretion, shall determine the Key Employees to whom Awards shall be granted. A member of the Committee is not eligible to be granted an Award during the period he or she serves on the Committee.

ARTICLE III — STOCK AVAILABLE FOR AWARDS

The Company shall reserve 5,953,543 shares of Stock for use under this Plan. All such shares of Stock shall be reserved to the extent that the Company deems appropriate from authorized but unissued shares of Stock and from shares of Stock that have been reacquired by the Company. Furthermore, any shares of Stock that are subject to an Award which is forfeited under Section 6.02, 6.03 or 6.04 of this Plan shall again become available for use under this Plan.

ARTICLE IV — EFFECTIVE DATE

This Plan shall be effective on the date it is adopted by the Board, subject to the approval of the shareholders of the Company within twelve months after the date of adoption of this Plan by the Board. Any Award granted under this Plan before the date of such shareholder approval shall be awarded expressly subject to such approval.

ARTICLE V — ADMINISTRATION

This Plan shall be administered by the Committee. The Committee, acting in its sole and absolute discretion, shall exercise such powers and take such action as expressly called for under this Plan. Furthermore, the Committee shall have the power to interpret this Plan and to take such other action in the administration and operation of this Plan as the Committee deems equitable under the circumstances, which action shall be binding on the Company with respect to each affected Key Employee and each other person directly or indirectly affected by such action. Nothing in this Article V shall affect or impair the Board's power to take the actions reserved to it in this Plan.

ARTICLE VI — STOCK AWARDS

6.01 Committee Action. The Committee shall have the right to grant Awards to Key Employees under this Plan. Each Award shall be evidenced by an Award Certificate, and each Award Certificate shall set forth the Grant Date of the Award, the conditions under which the Award will become effective and the conditions under which the Award shall Vest.

6.02 No Transfer of Awards. An Award granted to a Key Employee shall not be transferred, assigned, pledged, charged or otherwise disposed of by the Key Employee (except on his or her death to his or her personal representatives) and shall immediately be forfeited if the Key Employee purports to so transfer, assign, pledge, charge or otherwise dispose of the Award or if the Key Employee is declared bankrupt, or enters into any arrangement with his or her creditors under any formal insolvency procedure.

6.03 Conditions for Awards. The Committee shall make Awards to Key Employees effective only upon the satisfaction of one, or more than one, objective performance targets. The Committee shall determine the performance targets which will be applied with respect to each grant of an Award at the time of grant of such Award, but in no event later than ninety (90) days after the commencement of the period of service to which the performance targets relate. The performance criteria applicable to Awards will be one or more of the following criteria:

- (a) stock price;
- (b) average annual growth in earnings per share;
- (c) increase in shareholder value;
- (d) earnings per share;
- (e) net income;
- (f) return on assets;
- (g) return on shareholders' equity;
- (h) increase in cash flow;
- (i) operating profit or operating margins;
- (j) revenue growth of the Company; and
- (k) operating expenses.

For the avoidance of doubt, the Committee shall have the discretion to determine the performance targets applicable to an Award granted to an Original Employee in 2010 as if the Award had been granted on April 30, 2008.

The related Award Certificate shall set forth each such target and the deadline for satisfying each such target. Where a target is satisfied the Committee shall certify in writing that such target has been satisfied. The shares of Stock underlying an Award shall be unavailable under Article III of this Plan as of the date on which such Award is granted. If an Award fails to become effective under this Section 6.03, the underlying shares of Stock subject to such Award shall again become available under Article III of this Plan as of the date of such failure to become effective. An Award or Awards may not be granted to a Key Employee in any calendar year over more than 500,000 shares of Stock in aggregate provided that the relevant limit in respect of an Award or Awards granted to an Original Employee in 2010 shall be 40,000 shares of Stock in aggregate.

6.04 Conditions for Vesting of Awards. Subject to the provisions of Article IX and Article XII of this Plan, an Award which has become effective upon the satisfaction of any conditions for the grant specified by the Committee pursuant to Section 6.03 shall Vest upon the Key Employee's completion of fifteen Years of Vesting Service for a Group Company. Subject to the provisions of Article IX of this Plan, if the Key Employee's employment with a Group Company terminates to the effect that he or she is no longer employed by any Group Company before his or her completion of fifteen Years of Vesting Service for a Group Company, the Key Employee's Award shall be forfeited unless:

(a) the Key Employee's employment with the Group Company terminates on or after the Award Effective Date in circumstances where the Committee is satisfied that the Key Employee has no intention of taking paid employment elsewhere at any time in the future in which case, subject to the provisions of Article XII of this Plan, the Award shall Vest on the date of termination in respect of the Proportionate Number of shares of Stock and shall be forfeited in respect of the remaining shares of Stock subject to the Award;

(b) the Key Employee's employment with the Group Company terminates as a result of his or her death or Disability in which case, subject to the provisions of Article XII of this Plan, the Award shall Vest in full on the date of termination; or

(c) the Committee, in its sole and absolute discretion, waives the conditions described in this Section 6.04 in which case, subject to the provisions of Article XII of this Plan, the Award shall Vest in accordance with the Committee's determination in its sole and absolute discretion.

6.05 Dividends and Voting Rights. For the avoidance of doubt, a Key Employee shall not be entitled to receive dividends declared or paid, or to exercise voting rights or any other right, in relation to Stock subject to an Award in respect of any period prior to the Release of the Stock to the Key Employee.

6.06 Release of Stock. On or as soon as reasonably practicable after an Award has Vested the Company will issue, transfer or procure the transfer to the Key Employee the relevant number of shares of Stock in respect of which the Award has Vested. The certificate representing shares of Stock Released pursuant to the Award shall be transferred to the Key Employee as soon as practicable after the Award Release Date. For the avoidance of doubt, the Key Employee shall have no entitlement in relation to rights attaching to the shares of Stock until the shares have been issued or transferred to the Key Employee pursuant to this Section 6.06.

6.07 Cash Bonus Representing Dividends. Within 30 days of the Release of an Award the Company or another Group Company shall pay the Bonus to the relevant Key Employee, subject to deduction of any applicable Tax (which, for the avoidance of doubt, shall not include secondary Class 1 national insurance contributions for this purpose).

ARTICLE VII — SECURITIES REGISTRATION

Each Award Certificate shall provide that, upon the receipt of shares of Stock pursuant to the Release of an Award, the Key Employee shall, if so requested by the Company, hold such shares of Stock for investment and not with a view of resale or distribution to the public and, if so requested by the Company, shall deliver to the Company a written statement signed by the Key Employee satisfactory to the Company to that effect. With respect to Stock issued pursuant to this Plan, the Company at its expense shall take such action as it deems necessary or appropriate to register the original issuance of such Stock to a Key Employee under the Securities Act of 1933 or under any other applicable securities laws or to qualify such Stock for an exemption under any such laws prior to the issuance of such Stock to a Key Employee. Notwithstanding the foregoing, the Company shall have no obligation whatsoever to take any such action in connection with the transfer, resale or other disposition of such Stock by a Key Employee.

ARTICLE VIII — ADJUSTMENT

The Board, in its sole and absolute discretion, may, but shall not be required to, adjust the number of shares of Stock reserved under Article III of this Plan, the annual grant limit set forth in Section 6.03 of this Plan (to the extent permitted by the rules relating to the qualified performance-based compensation exemption from the limit on tax deductibility of compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”)), and shares of

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Performance Stock theretofore granted in an equitable manner to reflect any change in the capitalization of the Company, including, but not limited to, such changes as Stock dividends or Stock splits. If any adjustment under this Article VIII would create a fractional share of Stock, such fractional share shall be disregarded and the number of shares of Stock reserved or granted under this Plan shall be the next lower number of shares of Stock, rounding all fractions downward. An adjustment made under this Article VIII by the Board shall be conclusive and binding on all affected persons and, further, shall not constitute an increase in the number of shares reserved under Article III within the meaning of Article X(a) of this Plan.

ARTICLE IX — TERMINATION AFTER TRANSFER OF CONTROL

9.01 Termination After Transfer of Control. If the Key Employee's employment with the Group Company terminates by reason of Termination After Transfer of Control (as defined in Section 9.02) then, subject to the provisions of Article XII of this Plan, the Award shall Vest in full on the date on the date of such Termination After Transfer of Control.

9.02 Definitions.

(a) "Termination After Transfer of Control" shall mean either of the following events occurring after a Transfer of Control:

- (i) termination by a Group Company of the Key Employee's employment with the Group Company, within twelve (12) months following a Transfer of Control, for any reason other than Termination for Cause (as defined below); or
- (ii) upon the Key Employee's Constructive Termination (as defined below), the Key Employee's resignation from employment with a Group Company within twelve (12) months following the Transfer of Control.

Notwithstanding any provision herein to the contrary, Termination After Transfer of Control shall not include any termination of the Key Employee's employment with a Group Company which: (i) is a Termination for Cause (as defined below); (ii) is a result of the Key Employee's death or Disability; (iii) is a result of the Key Employee's voluntary termination of employment other than upon Constructive Termination (as defined below); or (iv) occurs prior to the effectiveness of a Transfer of Control.

(b) "Termination for Cause" shall mean termination by a Group Company of the Key Employee's employment with the Group Company for any of the following reasons: (i) theft, dishonesty, or falsification of any employment or Group Company records; (ii) improper use or disclosure of a Group Company's confidential or proprietary information; (iii) the Key Employee's failure or inability to perform any reasonable assigned duties after written notice from a Group Company of, and a reasonable opportunity to cure, such continued failure or inability; (iv) any material breach by the Key Employee of any employment agreement between the Key Employee and a Group Company, which breach is not cured pursuant to the terms of such agreement; or (v) the Key Employee's conviction of any criminal act which, in the Group Company's sole discretion, impairs the Key Employee's ability to perform his or her duties with the Group Company. Termination for Cause pursuant to the foregoing shall be determined in the sole but reasonably exercised discretion of the Committee.

(c) "Constructive Termination" shall mean any one or more of the following:

- (i) without the Key Employee's express written consent, the assignment to the Key Employee of any duties, or any limitation of the Key Employee's responsibilities, substantially inconsistent with the Key Employee's positions, duties, responsibilities and status with the relevant Group Company immediately prior to the date of a Transfer of Control;
- (ii) without the Key Employee's express written consent, the relocation of the principal place of the Key Employee's employment to a location that is more than fifty (50) miles from the Key Employee's principal place of employment immediately prior to the date of a Transfer of Control, or the imposition of travel requirements substantially more demanding of the Key Employee than such travel requirements existing immediately prior to the date of a Transfer of Control;
- (iii) any failure by the relevant Group Company to pay, or any material reduction by the relevant Group Company of, (A) the Key Employee's base salary in effect immediately prior to the date of the Transfer of Control (unless reductions comparable in amount and duration are concurrently made for all other employees of the relevant Group Company with responsibilities, organizational level and title comparable to the Key Employee's), or (B) the Key Employee's bonus compensation, if any, in effect immediately prior to the date of the Transfer of Control (subject to applicable performance requirements with respect to the actual amount of bonus compensation earned by the Key Employee); or

(iv) any failure by the relevant Group Company to (A) continue to provide the Key Employee with the opportunity to participate, on terms no less favorable than those in effect for the benefit of any employee group which customarily includes a person holding the employment position or a comparable position with the relevant Group Company then held by the Key Employee, in any benefit or compensation plans and programs, including, but not limited to, the

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relevant Group Company's life, disability, health, dental, medial, savings, profit sharing, stock purchase and retirement plans, if any, in which the Key Employee was participating immediately prior to the date of the Transfer of Control, or their equivalent, or (B) provide the Key Employee with all other fringe benefits (or their equivalent) from time to time in effect for the benefit of any employee group which customarily includes a person holding the employment position or a comparable position with the relevant Group Company then held by the Key Employee.

ARTICLE X — AMENDMENT OR TERMINATION

This Plan may be amended by the Board from time to time to the extent that the Board in its sole and absolute discretion deems necessary or appropriate. Notwithstanding the foregoing, no amendment of this Plan shall be made absent the approval of the shareholders of the Company if the effect of the amendment is:

- (a) to increase the number of shares of Stock reserved under Article III of this Plan;
- (b) to change the class of employees of the Company eligible for Awards or to otherwise materially modify the requirements as to eligibility for participation in this Plan; or
- (c) to modify the material terms of this Plan that must be approved by shareholders of the Company under the rules relating to the qualified performance-based compensation exemption from the limit on tax deductibility of compensation under Section 162(m) of the Code.

The Board in its sole and absolute discretion may suspend the granting of Awards under this Plan at any time and may terminate this Plan at any time. Notwithstanding the foregoing, the Board shall not have the right to modify, amend or cancel any subsisting Award granted before such suspension or termination unless the Key Employee to whom the Award was granted consents in writing to such modification, amendment or cancellation, or there is a dissolution or liquidation of the Company or a transaction described in Article VIII or IX of this Plan.

ARTICLE XI — TERM OF PLAN

No Awards will be granted under this Plan on or after the earlier of:

- (a) the twentieth anniversary of the effective date of this Plan, as determined under Article IV of this Plan, in which event this Plan otherwise thereafter shall continue in effect until all Awards granted under this Plan have been forfeited or have Vested and any Vested Stock has been Released; or
- (b) the date on which all of the Stock reserved under Article III of this Plan has, as a result of the Release of Awards, been issued or no longer is available for use under this Plan, in which event this Plan also shall terminate on such date.

ARTICLE XII — MISCELLANEOUS

12.01 Costs of the Plan. The cost of establishing and operating the Plan shall be borne by the Company but may be recharged to the relevant Group Companies on such arm's length basis as is considered appropriate from time to time

12.02 No Contract of Employment. Participation in the Plan is a matter separate from any contract of employment or other agreement and any benefit conferred by the Plan shall not be counted for pension or any other purpose. The rights and obligations of any individual under the terms of his office or employment with any Group Company will not be affected by his participation in the Plan and the Plan does not form part of any contract of employment between any individual and any Group Company. A Key Employee shall have no entitlement by way of compensation or damages resulting from the termination of the office or employment (for any reason and whether lawful or not) by virtue of which he is or may be eligible to participate in the Plan or for the loss or reduction of any right or benefit or prospective right or benefit under the Plan which he might otherwise have enjoyed whether the compensation is claimed for wrongful dismissal or otherwise.

12.03 Withholding. No Award shall Vest unless the following conditions have been satisfied:

- (a) if the Vesting or Release of the Award would result in a Tax Liability then the Key Employee must have entered into arrangements satisfactory to the Committee to ensure that the relevant Group Company will receive the amount of such Tax Liability (including but not limited to the Key Employee authorizing the Group Company (or other person) upon the Release of the Award to sell or procure the sale of a sufficient number of Vested Stock subject to the Award to ensure that an appropriate sum is raised in order to discharge any Tax Liability); and
- (b) where the Committee determines that an election should be made pursuant to Section 431 of the Income Tax (Earnings and Pensions) Act 2003 in respect of the shares of Stock Released to the Key Employee, such election has been made or the Committee is satisfied that such election will be made within the applicable time limit.

12.04 Governing Law. The provisions of this Plan and any Award shall be governed by and interpreted in accordance with the laws of England and Wales and any Group Company and Key Employees shall submit to the exclusive jurisdiction of the Courts of England and Wales.

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