

BROWN FORMAN CORP
Form PRE 14A
June 14, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Brown-Forman Corporation
(Name of Registrant as Specified In Its Charter)

N/A
(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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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June 27, 2012

Dear Brown-Forman Stockholder:

It is our pleasure to invite you to attend Brown-Forman Corporation's 2012 Annual Meeting of Stockholders, which will be held:

Thursday, July 26, 2012

9:30 A.M. (Eastern Daylight Time)

Brown-Forman Conference Center

850 Dixie Highway

Louisville, Kentucky 40210

We enclose herewith our Notice of Annual Meeting, Proxy Statement, 2012 Annual Report to Stockholders, and 2012 Form 10-K.

Your vote is very important to us. **Class A and Class B stockholders are urged to complete and return your proxy card as soon as possible, whether or not you plan to attend the Annual Meeting.**

We hope to see you on July 26. On behalf of the Board of Directors, thank you for your continued support.

Very truly yours,

Paul C. Varga,

Chairman and

Chief Executive Officer

Geo. Garvin Brown IV,

Chairman of the

Board of Directors

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Brown-Forman Corporation will hold its 2012 Annual Meeting of Stockholders in the Conference Center at our corporate offices, 850 Dixie Highway, Louisville, Kentucky 40210, at 9:30 A.M. (Eastern Daylight Time), on Thursday, July 26, 2012.

We are holding this meeting for the following purposes, which are described more fully in the accompanying Proxy Statement:

- i To elect a board of eleven directors;

- ii To vote on a proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock; and

- iii To transact such other corporate business as may properly come before the meeting.

Class A stockholders of record at the close of business on June 18, 2012, are entitled to vote at the meeting. In addition, Class B stockholders of record at the close of business on June 18, 2012, are entitled to vote solely on the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class B common stock. Stockholders may vote either in person or by proxy. We will not close the stock transfer books in advance of the meeting.

PLEASE complete, sign, and date the enclosed proxy card and return it promptly in the enclosed envelope, whether or not you plan to attend the meeting. Submitting a proxy will not affect your right to vote your shares differently if you attend the meeting in person.

Louisville, Kentucky

June 27, 2012

By Order of the Board of Directors

Matthew E. Hamel, Secretary

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 26, 2012:

The Notice of Annual Meeting, Proxy Statement, 2012 Annual Report to Stockholders, and

2012 Form 10-K are available at www.brown-forman.com/proxy

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GENERAL INFORMATION

This section sets forth certain frequently asked questions and answers about the Proxy Statement and the Annual Meeting.

Q: Why did I receive these proxy materials?

A: The Board of Directors of Brown-Forman Corporation is soliciting proxies for the 2012 Annual Meeting of Stockholders. The meeting will take place on Thursday, July 26, 2012, at 9:30 A.M. (Eastern Daylight Time), in the Conference Center at our corporate offices, 850 Dixie Highway, Louisville, Kentucky 40210. We are providing you with these proxy materials so that you may cast your vote knowledgeably on the matters to be considered at the Annual Meeting. We will begin mailing this Proxy Statement and accompanying materials on or about June 27, 2012, to holders of record of our Class A and Class B common stock at the close of business on June 18, 2012, the record date for the 2012 Annual Meeting.

Q: When is the record date and what does it mean?

A: The Board has set June 18, 2012, as the record date for the 2012 Annual Meeting. Holders of our Class A common stock at the close of business on the record date are entitled to receive notice of the meeting and to vote at the meeting. In addition, Class B stockholders of record at the close of business on June 18, 2012, are entitled to vote solely on the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class B common stock. If you purchased Class A or Class B common stock after the record date, you may vote those shares only if you receive a proxy to do so from the person who held the shares on the record date.

Q: May holders of Class B common stock vote at the meeting?

A: ***On Proposal 2 Only.*** Holders of shares of Class B common stock are entitled to vote at the 2012 Annual Meeting of Stockholders solely on Proposal 2 to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class B common stock. Holders of Class B common stock are not entitled to vote on any other matter on the ballot for the Annual Meeting of Stockholders.

Q: What am I voting on?

A: Class A stockholders are being asked to elect a board of eleven directors; to approve an amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A common stock and Class B common stock; and to transact such other corporate business as may properly come before the meeting. Class B stockholders are being asked to approve the amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class B common stock.

Q: How does the Board recommend that I vote?

A: Our Board unanimously recommends that Class A stockholders vote your shares *FOR* the election of each of the nominees to the Board; and that Class A and Class B stockholders vote your shares *FOR* the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.

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Q: What is the proxy card for?

A: By completing and signing the proxy card, you authorize the individuals named on the card to vote your shares for you, in accordance with your instructions. If you grant a proxy, the persons named as proxy holders will also have the obligation and authority to vote your shares as they see fit on any other matter properly presented for a vote at the meeting. If for any unforeseen reason a director nominee is not available to serve, the persons named as proxy holders may vote your shares at the meeting for another nominee. The proxy holders for this year's Annual Meeting are Geo. Garvin Brown IV, Paul C. Varga, and Matthew E. Hamel.

Q: What happens if I sign and return my proxy card without specifying how I want my shares to be voted?

A: If you sign and return your proxy card without specifying how you want your shares to be voted, our proxy holders will vote your shares: *FOR* the election of each of the nominees to the Board; and *FOR* the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.

Q: What should I do if I receive more than one proxy card?

A: It is important that you complete, sign, and date each proxy card and each voting instruction card that you receive, because they represent different shares.

Q: How will my dividend reinvestment and employee stock purchase plan shares be voted?

A: Shares of Class A and Class B common stock held by participants in Brown-Forman's dividend reinvestment and employee stock purchase plans are included in your holdings and reflected on your proxy card. These shares will be voted as you direct.

Q: How will the Class B shares I hold in my 401(k) be voted?

A: Shares of Class B common stock held in the Brown-Forman Class B Company Stock Fund (ESOP) by participants in Brown-Forman's 401(k) plan are included in your holdings and reflected on your Class B proxy card. The shares will be voted by Fidelity Management Trust Company, the Trustee of the ESOP, as you direct.

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

A: We are not aware of any business to be acted upon at the Annual Meeting other than those matters described in the Notice of Annual Meeting (election of directors; and proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock). If a holder of Class A common stock grants a proxy, the persons named as proxy holders will have the authority to vote your shares as they see fit on any additional matters properly presented and brought to a vote at the meeting (and on which your shares are eligible to vote). Proxies granted by holders of Class B common stock will not be voted on any matter other than the amendment to increase the number of authorized shares of Class B common stock.

Q: What is the difference between a stockholder of record and a street name holder?

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- A: If your shares are registered in your name with our stock transfer agent, Computershare, you are considered to be the stockholder of record of those shares. The proxy materials have been sent to stockholders of record directly by Brown-Forman Corporation. As a stockholder of record, you have the right to grant your voting proxy to the proxy holders named above, or to vote in person at the meeting. Only stockholders of record may vote in person at the Annual Meeting. If your shares are held in a stock brokerage account or by a bank, your shares are held in street name. The proxy materials have been forwarded to you in a mailing from your broker or bank, which is, for those shares, the stockholder of record. You have the right to direct your broker or bank how to vote your street name shares by using the voting instruction card included in the mailing.

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Q: How many shares must be present or represented to conduct business at the Annual Meeting?

A: A majority of the outstanding shares of Class A common stock must be present in person or represented by proxy to constitute a quorum to conduct business at the Annual Meeting. In addition, a majority of the outstanding shares of Class B common stock must be present in person or by proxy to constitute a quorum with respect to the proposal to amend the Company's Restated Certificate of Incorporation to increase the authorized number of shares of Class B common stock. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a broker does not vote on a matter on the proxy card because the broker does not have discretionary voting power for the particular item and has not received instructions from the beneficial owner.

Q: What is a broker non-vote and why is it important that I instruct my broker how to vote my shares held in street name?

A: If your shares are held in street name (which means they are held of record by a broker), you must instruct your broker how to vote the shares, or your shares will not be voted on any proposal for which the broker does not have discretionary authority to vote. Brokers do not have discretionary authority to vote for the election of directors at the 2012 Annual Meeting. (Brokers do have discretionary authority to vote on the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.) Accordingly, if your Class A shares are held in street name, it is particularly important that you instruct your broker how you wish to vote your shares if you want your shares to be voted in the election of directors at the 2012 Annual Meeting.

Q: What is householding and how does it affect me?

A: Householding is a procedure approved by the Securities and Exchange Commission (SEC) that permits the delivery of a single Proxy Statement and annual report to multiple stockholders who share the same address and last name. Each stockholder in that household receives his or her own proxy card. We participate in householding to reduce our printing costs and postage fees, and to facilitate voting in households where shares may be held in multiple names and accounts. If you share an address with another stockholder and receive multiple copies of the proxy materials, you may request householding by writing our Secretary, Matthew E. Hamel, 850 Dixie Highway, Louisville, Kentucky 40210, or e-mailing him at Secretary@b-f.com. The proxy materials are available at www.brown-forman.com/proxy. You also may request additional copies at any time by writing or e-mailing our Secretary. If you wish to opt out of householding and receive multiple copies of the proxy materials at the same address next year, you may do so at any time prior to thirty days before the mailing of proxy materials (proxy materials are typically mailed in late June), by writing to our Secretary at the above address.

Q: What if I submit a proxy card and then change my mind as to how I want to vote?

A: If you are a stockholder of record, you may change your vote by granting a new proxy bearing a later date, by providing our Secretary with written notice of revocation of your proxy, or by attending the meeting and casting your vote in person. To change your vote for shares you hold in street name, you will need to follow the instructions in the materials your broker or bank provides you.

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

A: We intend to announce the voting results at the Annual Meeting and to issue a press release on the day of the Annual Meeting. In addition, we will report the results by filing a Form 8-K with the SEC within four business days following the Annual Meeting.

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Q: Whom may I call with questions about the Annual Meeting?

A: For information about your stock ownership, or for other stockholder services, please contact Linda Gering, our Stockholder Services Manager, at (502) 774-7690, or Linda_Gering@b-f.com. For information about the meeting itself, please contact Matthew E. Hamel, our Secretary, at (502) 774-7631, or Secretary@b-f.com.

Q: Who pays for the expenses of this proxy solicitation?

A: Brown-Forman bears the cost of soliciting proxies. We will begin mailing this Proxy Statement and accompanying materials on or about June 27, 2012. Also beginning on June 27, 2012, our directors, officers, and other employees may solicit proxies by regular or electronic mail, phone, fax, the Internet or in person. Directors, officers, and employees of the Company will receive no additional compensation for soliciting proxies. We will reimburse banks, brokers, nominees, and other fiduciaries for their reasonable charges and expenses incurred in forwarding our proxy materials to the beneficial owners of our stock held in street name. In addition, we have retained Proxy Express, Inc., to assist with the distribution of proxy materials for a fee of approximately \$25,000, plus associated expenses.

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INTRODUCTION

This section describes the purpose of this Proxy Statement, who may vote, how to vote, the proposals to be voted upon, and the votes required for approval.

PURPOSE. The Board of Directors of Brown-Forman Corporation is sending you this Proxy Statement to solicit proxies for use at the 2012 Annual Meeting of Stockholders, which will be held Thursday, July 26, 2012, at 9:30 A.M. (Eastern Daylight Time) at Brown-Forman Corporation, 850 Dixie Highway, Louisville, Kentucky. We will begin mailing this Proxy Statement and accompanying materials on or about June 27, 2012, to holders of record of our Class A and Class B common stock at the close of business on June 18, 2012, the record date for the 2012 Annual Meeting.

Also beginning on June 27, 2012, our directors, officers, and other employees may solicit proxies by regular or electronic mail, phone, fax, the Internet or in person. Brown-Forman will pay all solicitation costs. Directors, officers, and employees of the Company will receive no additional compensation for soliciting proxies. We will reimburse banks, brokers, nominees, and other fiduciaries for their reasonable charges and expenses incurred in forwarding our proxy materials to the beneficial owners of our stock held in street name. In addition, we have retained Proxy Express, Inc., to assist with the distribution of proxy materials for a fee of approximately \$25,000, plus associated expenses.

We are providing access to our proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement, our 2012 Annual Report to Stockholders, and our 2012 Form 10-K are available at www.brown-forman.com/proxy. **Please complete, sign, date, and return the enclosed proxy card at your earliest convenience.**

CLASSES OF STOCK. We have two classes of common stock, Class A and Class B. As of the close of business on the record date, June 18, 2012, we had outstanding _____ shares of Class A common stock and _____ shares of Class B common stock.

VOTING RIGHTS. If you were a stockholder on June 18, 2012, you may cast one vote for each share registered in your name. Class A stockholders may vote on Proposal 1: Election of Directors, and Proposal 2: Amendment to Restated Certificate of Incorporation to Increase Number of Authorized Shares of Class A and Class B Common Stock. Class B stockholders of record at the close of business on June 18, 2012 are entitled to vote on Proposal 2, but only with respect to the increase in the number of authorized shares of Class B common stock. You may vote your shares either in person or by proxy. To vote by proxy, please complete, sign, date, and return the enclosed proxy card. Granting a proxy will not affect your right to vote shares registered in your name if you attend the meeting and want to vote in person. You may revoke a proxy at any time before it is voted by sending our Secretary written notice of your revocation at the following address: Matthew E. Hamel, 850 Dixie Highway, Louisville, Kentucky 40210; by issuing a new proxy; or by attending the meeting in person and casting your vote there. For any shares you hold in street name, you must submit voting instructions to the stockholder of record (typically your broker or bank) in accordance with the instructions they provide. To revoke your proxy, you must comply with the directions they provide. The proxy holders will vote all shares represented by effective proxies in accordance with the terms stated in the proxy. The proxy holders for this year's Annual Meeting are Geo. Garvin Brown IV, Paul C. Varga, and Matthew E. Hamel.

PROPOSALS.

Proposal 1: Election of Directors. There are eleven nominees for election to our Board of Directors at the upcoming Annual Meeting. Each of the nominees currently serves as a director. The name, age, years of Board service, biographical information, and specific skills and qualifications of each of the nominees are provided beginning on page 14 of this Proxy Statement.

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

Proposal 2: Amendment to Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Class A and Class B Common Stock. Our Board of Directors has authorized a 3 for 2 stock split (the *Stock Split*) for all shares of the Company's Class A and Class B common stock, subject to stockholder approval of an amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock. The *Stock Split* will be paid out as a stock dividend and will require the Company to issue one new share of Class A common stock for each two shares of Class A common stock outstanding and one new share of Class B common stock for each two shares of Class B common stock outstanding. The *Stock Split* is anticipated to be paid on or about August 10, 2012, to stockholders of record on or about August 3, 2012.

Currently, the Company does not have enough authorized shares of either class of stock to effect the *Stock Split*, and so the Company is seeking stockholder approval to amend the Company's Restated Certificate of Incorporation to: increase the number of authorized shares of \$.15 par value Class A Common Stock to 85,000,000 from 57,000,000; and increase the number of authorized shares of \$.15 par value Class B Common Stock to 400,000,000 from 100,000,000. More information on this proposal, including the text of the proposed amendment, is set forth beginning on page 24 of this Proxy Statement.

The Board of Directors unanimously recommends a vote *FOR* the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.

QUORUM; VOTES REQUIRED FOR APPROVAL. A majority of the outstanding shares of Class A common stock must be present in person or represented by proxy to constitute a quorum to conduct business at the Annual Meeting. In addition, a majority of the outstanding shares of Class B common stock must be present in person or by proxy to constitute a quorum with respect to the proposal to increase the authorized number of shares of Class B common stock. Abstentions and broker non-votes are counted as present for purposes of determining whether a quorum exists. In the election of directors (Proposal 1), only Class A shares vote, and a nominee will be elected if he or she receives a majority of the votes cast. A majority of the votes cast means that the number of shares voted for a director must exceed the number of shares voted against that director (with abstentions and broker non-votes not counted as votes cast). For the amendment to the Company's Restated Certificate of Incorporation increasing the authorized number of Class A and Class B common shares (Proposal 2), the holders of Class A and Class B common stock each vote as a separate class (with the Class B shares voting on the increase in the authorized number of shares of Class B common stock), and approval requires an affirmative vote of the majority of the outstanding shares of each class (with abstentions counted as a vote against the proposal and broker non-votes not counted as votes cast). For any other matter properly presented and brought to a vote at the meeting, only Class A shares vote, and approval requires the affirmative vote of a majority of the votes cast (with abstentions and broker non-votes not counted as votes cast).

If you sign and return your proxy card without specifying how you want your shares to be voted, our proxy holders will vote your shares: *FOR* the election of each of the nominees to the Board; and *FOR* the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.

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CORPORATE GOVERNANCE

This section describes our corporate governance practices in light of the corporate governance rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange.

As a publicly traded, family-controlled company, Brown-Forman enjoys a rare governance opportunity, whereby members of our controlling stockholder group participate directly on our Board of Directors. We believe this governance structure confers a distinct competitive advantage upon the Company, due largely to the long-term ownership perspective of the Brown family. This advantage is sustained by a careful balancing of the roles of our three primary stakeholders: our Board of Directors, Company management, and our stockholders including, in particular, the Brown family.

BROWN-FORMAN IS A CONTROLLED COMPANY.

Our Board has determined that Brown-Forman is a controlled company within the meaning of the New York Stock Exchange (NYSE) rules. A controlled company is one in which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. The Brown family control group owns substantially more than 50% of our Class A voting stock, the overwhelming majority of which historically has voted in favor of the directors proposed by the Board.

Controlled companies are exempt from NYSE listing standards that require a board composed of a majority of independent directors, a fully independent nominating/corporate governance committee, and a fully independent compensation committee. We avail ourselves of the exemptions from having a board composed of a majority of independent directors and a fully independent nominating/corporate governance committee. Notwithstanding the available exemption, our Compensation Committee is composed exclusively of independent directors.

OUR BOARD OF DIRECTORS.

To Brown-Forman, one of the primary benefits of being a controlled company under the NYSE rules is the exemption from the requirement of having a Board composed of a majority of independent directors. This enables greater participation on our Board of Directors by members of the Brown family.

Our Board of Directors is the policy-making body that is ultimately responsible for the business success and ethical climate of the Company. The Board oversees the performance of our senior management team, which is responsible for leading and operating the Company's business. The Board's primary responsibilities include retention, evaluation, and succession planning for the Company's Chief Executive Officer and its Chairman of the Board, as well as oversight of the Company's corporate strategy, financial condition, executive compensation policies and practices, and enterprise risk management. The Board of Directors may retain such independent advisors as it deems necessary or appropriate in the performance of its duties. The Board conducts an annual self-assessment to determine whether it and its committees are functioning effectively.

Corporate Governance Guidelines. The Board has adopted Corporate Governance Guidelines that provide a framework for the conduct of the Board in the exercise of its duties. These guidelines set forth director qualification standards and responsibilities, meeting and attendance requirements, committee composition requirements and responsibilities, policies related to director compensation, director access to management and independent advisors, and an annual self-evaluation requirement for the Board, among other things. The Corporate Governance Guidelines are published on our website at www.brown-forman.com/company/governance.

Director Service. The Board of Directors is authorized to fix the number of directors to serve on the Board from time to time, within a range of three to seventeen members. Directors are elected each year

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at the Annual Meeting by a majority vote of our Class A stockholders. Once elected, a director holds office until the next Annual Meeting of Stockholders or until his or her successor is elected and qualified, unless he or she first resigns, retires, or is removed. Directors are not subject to term limits.

A director may not stand for re-election to the Board after he or she has reached the age of 71. In exceptional circumstances, and upon recommendation of the Corporate Governance and Nominating Committee, the Board may request a director to remain on the Board until a given date, if it finds that such service would be of significant benefit to the Company. Board member service beyond the age of 71 must be approved by the affirmative vote of two-thirds of the directors, excluding the participation and vote of the director concerned.

Director Richard P. Mayer is scheduled to retire from Board service at the expiration of his current term, and thus he will not stand for re-election at the 2012 Annual Meeting. Mr. Mayer served as a member of the Company's Board of Directors for 18 years.

Effective November 16, 2011, the Board of Directors elected Joan C. Lordi Amble to the Board.

Independent Directors. Under NYSE rules, a director qualifies as independent if the board of directors affirmatively determines that the director has no material relationship with the listed company. While the focus of the inquiry is independence from management, the board is required to consider broadly all relevant facts and circumstances in making an independence determination. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. Our Board recognizes the value of having independent directors on the Board and has determined that five of our eleven director nominees have no material relationship with the Company and are therefore independent under NYSE standards. These are Directors Joan C. Lordi Amble, Patrick Bousquet-Chavanne, Bruce L. Byrnes, John D. Cook, and William E. Mitchell. In making its independence determination with respect to Ms. Amble, the Board considered the Company's relationship with the American Express Company, for whom Ms. Amble served as an executive officer until December 2011.

The Board determined that Geo. Garvin Brown IV, Paul C. Varga, and James S. Welch, Jr. are not independent because they are members of Company management. The Board determined that Dace Brown Stubbs is not independent due to her son's employment with the Company. The Board elected not to make a determination with respect to the independence of Martin S. Brown, Jr., and Sandra A. Frazier.

Brown Family Directors. The Company believes that it is strategically important for Brown family members to be actively engaged in the oversight of the Company, including by serving on the Board of Directors. Through participation on the Board, the Brown family's long-term perspective is brought to bear, in some measure, upon each and every Board consideration. Brown family directors serve as an effective link between the Board and the controlling family stockholders. Board service also provides the Brown family with an active means by which to oversee their collective investment. Current Brown family member directors are: Geo. Garvin Brown IV, Martin S. Brown, Jr., Sandra A. Frazier, and Dace Brown Stubbs.

Management Directors. The Company also believes it is essential, from a corporate governance standpoint, that Company management be represented on the Board of Directors. Current Board members who are also members of Company management are: Geo. Garvin Brown IV, Paul C. Varga, and James S. Welch, Jr.

Board Meetings. The Board of Directors held six regular meetings during fiscal 2012. Absent an appropriate reason, attendance is expected for the full meeting by all directors at the Company's Annual Meeting of Stockholders, at all Board meetings, and at all meetings of each committee of which a director is a member. All directors attended all Board meetings during fiscal 2012. All directors then serving were present at the 2011 Annual Meeting of Stockholders.

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Executive Sessions. NYSE rules require non-management directors to meet at regularly scheduled executive sessions without management present. Our non-management directors held two executive sessions in fiscal 2012. John D. Cook, Chairman of the Corporate Governance and Nominating Committee, served as presiding director. NYSE rules additionally require companies whose group of non-management directors includes directors who are not independent under NYSE listing standards to hold an executive session of just the independent directors at least once per year. Our independent directors held two such meetings in fiscal 2012. Mr. Cook served as presiding director for these meetings as well.

Board Committees. Our Board has the following four standing committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Executive Committee. Each Board committee operates pursuant to a written charter. Copies of the charters are posted on our corporate website at www.brown-forman.com/company/governance. Each Board committee conducts an annual self-evaluation (except the Executive Committee, which is evaluated by the full Board periodically) and may hire independent advisors as it deems necessary or appropriate. The Board believes that transparency is a hallmark of good corporate governance. All directors are invited to attend meetings of committees on which they do not sit, which ensures the transparency of committee decision-making.

The following chart sets forth our current Board committee membership.

Board Committee Membership

| | Corporate Governance & | | | |
|---------------------------------|---------------------------|--------------|------------|-----------|
| | Audit | Compensation | Nominating | Executive |
| Joan C. Lordi Amble | X* | | | |
| Bruce L. Byrnes | X | | X | |
| Patrick Bousquet-Chavanne | | Chair | X | |
| Geo. Garvin Brown IV | | | X | X |
| John D. Cook | X | X | Chair | |
| Richard P. Mayer ⁽¹⁾ | | X | X | |
| William E. Mitchell | Chair* | X | | |
| Paul C. Varga | | | | X |
| James S. Welch, Jr. | | | | X |

* Audit Committee Financial Expert

(1) Mr. Mayer retires from Board (and Board committee) service upon the election of the new slate of directors at the 2012 Annual Meeting of Stockholders.

Audit Committee. The Board has delegated to the Audit Committee responsibility for the integrity of the Company's financial statements; audit process; system of internal controls; assessment of enterprise risk management; the Company's compliance with legal and regulatory requirements; the independent auditor's qualifications, independence and performance; and the performance of the Company's internal audit function. The committee's responsibilities include, among other things, the preparation of the Audit Committee Report that appears in this Proxy Statement on page 26.

Joan C. Lordi Amble, Bruce L. Byrnes, John D. Cook, and William E. Mitchell (Chairman) currently serve on the Audit Committee of our Board of Directors. The Audit Committee held eight meetings during fiscal 2012.

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In addition to the NYSE requirement that each audit committee member satisfy the NYSE director independence standards, audit committee members must comply with the independence standards mandated by Section 301 of the Sarbanes-Oxley Act and set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Each member of our Audit Committee satisfies these standards. The Board has determined that each member of our Audit Committee is financially literate within the meaning of the NYSE rules, and has designated Ms. Amble and Mr. Mitchell as audit committee financial experts under SEC regulations.

Compensation Committee. The Compensation Committee assists the Board in fulfilling the Board's duties relating to the compensation of our directors, executive officers, and employees. The committee's responsibilities include, among other things, determining the compensation of the Chief Executive Officer; reviewing and approving the compensation of the Chairman of the Board; approving incentive compensation plan design and changes thereto for the Chief Executive Officer and other senior executive officers; assisting the Board in its oversight of risk related to the Company's compensation policies and practices applicable to all employees; overseeing the preparation of the Compensation Discussion and Analysis that appears in this Proxy Statement beginning on page 31; preparing the Compensation Committee Report that appears in this Proxy Statement on page 41; and leading the evaluations of the performance of the Chief Executive Officer and the Chairman of the Board.

The committee has retained Frederic W. Cook & Co. as its independent compensation consultant. For additional information on the services provided by and the fees paid to the Cook firm, as well as the Committee's processes and procedures for the consideration and determination of executive and director compensation, please see the Compensation Discussion and Analysis section of this Proxy Statement, which begins on page 31.

Patrick Bousquet-Chavanne (Chairman), John D. Cook, Richard P. Mayer, and William E. Mitchell currently serve on the Compensation Committee. Each of the committee members qualifies as an independent director under NYSE listing standards, a non-employee director under SEC rules, and an outside director under regulations adopted pursuant to Section 162 of the Internal Revenue Code. The committee held six meetings during fiscal 2012.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee's primary responsibilities are: to assist the Board in identifying, recruiting, and recommending to stockholders appropriate candidates to serve as directors; to review periodically the Company's corporate governance principles in light of developments in corporate governance law and best practices, taking into account the Company's controlled-company status under the NYSE rules; to coordinate and oversee Chief Executive Officer succession planning on behalf of the Board; and to assist the Board with its annual self-evaluation. The Corporate Governance and Nominating Committee held eight meetings during fiscal 2012. John D. Cook (Chairman), Patrick Bousquet-Chavanne, Bruce L. Byrnes, Geo. Garvin Brown IV, and Richard P. Mayer currently serve on the Corporate Governance and Nominating Committee. All of the Corporate Governance and Nominating Committee members are independent under NYSE listing standards, except Geo. Garvin Brown IV.

In evaluating candidates for Board membership, the Corporate Governance and Nominating Committee seeks directors who will represent the best long-term interests of all stockholders. As articulated in our Corporate Governance Guidelines, the Board's view is that all Brown-Forman directors should possess the highest personal and professional ethics, integrity, and values. The Board also believes that it is highly desirable for the directors to possess the following qualities: good judgment, candor, independence, civility, business courage, experience with businesses and other organizations of comparable character and of comparable or larger size, and a lack of possible conflicts of interest.

The Corporate Governance and Nominating Committee and the Board consider diversity in evaluating candidates for Board membership, though neither has adopted a formal policy to that effect. The Board's goal is to maintain a well-balanced membership that combines a variety of experience,

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backgrounds, skills, and perspectives to enable the Board, as a whole, to effectively guide the Company in the pursuit of its strategic objectives. The committee considers an individual's independence; business, professional or public service experience; industry knowledge, experience and relationships; financial expertise; international experience; leadership skills; age, gender, race and other personal characteristics; time availability; and familial relation to our controlling family stockholders.

The Corporate Governance and Nominating Committee has engaged independent search firms to assist in identifying potential Board candidates from time to time. The Board has not adopted a formal policy regarding stockholder-nominated director candidates because the committee believes that the processes used to date have been appropriate and effective for identifying and selecting Board members.

Executive Committee. Pursuant to the by-laws of the Company, the Board by resolution designates the members of the Board Executive Committee, which consists of the Chief Executive Officer, the Chairman of the Board (if separate from the Chief Executive Officer), and one or more other directors as determined by the Board from time to time. The Board can change the committee's membership, fill vacancies in it, and dissolve the committee at any time. The Executive Committee may exercise all of the powers of the Board of Directors on such matters as are delegated to it by the Board, as well as during intervals between meetings of the Board of Directors. Geo. Garvin Brown IV, Paul C. Varga, and James S. Welch, Jr., served as members of the Executive Committee during fiscal 2012. The Executive Committee held one meeting during fiscal 2012.

Board Leadership Structure. Our Board does not have a policy regarding the separation of the roles of Chairman of the Board and Chief Executive Officer, as the Board believes that the determination of whether to separate or combine the roles depends largely upon the identity of the Chief Executive Officer and the membership of the Board, from time to time. Currently, these roles are separate, although in years past, they have been combined. Our Board is led by Geo. Garvin Brown IV, who serves as Chairman of the Board. In his role as Chairman of the Board, Mr. Brown is responsible for chairing Board meetings, chairing our Annual Meeting of Stockholders, serving on the Executive Committee of the Board, and, importantly, serving as the primary liaison between the Board and our controlling family stockholders. Mr. Brown also serves as a member of the Corporate Governance and Nominating Committee of the Board. In addition to his role as Chairman of the Board, Mr. Brown is a member of the Company's senior management (Executive Vice President), providing executive leadership and planning on strategic and operational matters related to the Board and the Brown family. Paul C. Varga serves as Chairman and Chief Executive Officer of the Company. As Chairman and Chief Executive Officer, Mr. Varga is the Company's highest ranking executive officer, and has ultimate responsibility for the Company's operations and performance. Mr. Varga serves as a member of our Board of Directors and is a member of the Executive Committee of the Board.

Our Board has determined that this leadership structure—having a Brown family member serve as Chairman of the Board, having our Chief Executive Officer serve as a member of the Board, and having a Board composed of independent, Brown family and management directors—is appropriate, given our status as a family controlled company and other relevant circumstances. The Board believes that this structure serves the best interests of the Company and its stockholders because it promotes the Brown family's active oversight, engagement, and participation in the Company and its business, and it publicly confirms the fact that Brown-Forman is controlled by the Brown family. In addition, this structure ensures the Board's accessibility to our Chief Executive Officer's comprehensive knowledge of the Company's business and industry, yet relieves our Chief Executive Officer of the added responsibilities attendant to the position of Chairman of the Board, allowing him to focus more on the Company's business strategy and day-to-day operations than on Board governance matters. Further, we believe that the direct participation on the Board by members of the Brown family supports the Board's management oversight function, due to the long-term ownership perspective of our controlling stockholders.

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Board's Role in Risk Oversight. Our Corporate Governance Guidelines require that the Board ensure that appropriate processes are in place for the management of enterprise risk, and our Board considers risk oversight to be an integral part of its role in the Company's strategic planning process. At its meetings, the Board regularly and actively considers how strategic decisions affect the Company's risk profile. While the Board has the ultimate oversight responsibility for the risk management process, the Audit, Compensation, and Corporate Governance and Nominating Committees of the Board play an important role in assisting the Board with its oversight responsibilities.

Specifically, the Board has assigned to the Audit Committee the responsibility to assist it in overseeing the Company's most significant risks financial and otherwise and in periodically reviewing whether management is appropriately monitoring and managing those risks. The Audit Committee holds regular discussions with the Company's Chief Executive Officer, Chief Financial Officer, principal accounting officer, General Counsel, and Director of Internal Audit on the Company's enterprise risk management program (ERMP). The Board has assigned to the Compensation Committee the responsibility to assist it in overseeing risk related to the Company's compensation policies and practices, and the Board has assigned to the Corporate Governance and Nominating Committee the responsibility to assist it in overseeing risk related to corporate governance, board composition, and succession planning for the Chief Executive Officer and the Chairman of the Board. These committees meet regularly with members of management and outside advisors, as necessary, and provide to the Board regular reports on their risk oversight and mitigation activities. In addition, certain management committees—the Disclosure Controls Committee and the Risk Committee—play an integral role in making sure that risk-related information surfaces to the Board as directly and quickly as possible. The Board believes that its leadership structure is conducive to its risk oversight function.

Communication with our Board. Brown-Forman stockholders and other interested parties may communicate with Brown-Forman's directors, including the non-management directors or the independent directors as a group, by sending written communications to our Secretary, Matthew E. Hamel, at 850 Dixie Highway, Louisville, Kentucky 40210, or by e-mail at Secretary@b-f.com. Written communications will be provided to the individual director or group of directors to whom they are addressed, and copies of such communications will be provided to all other directors.

COMPANY MANAGEMENT.

Brown-Forman has long believed that good corporate governance is essential to the Company's long-term success. We continually evaluate our corporate governance practices in the context of our controlled company status to address the changing regulatory environment and adopt those best practices that we believe are best for Brown-Forman.

Code of Conduct and Compliance Guidelines. The Company has adopted the Brown-Forman Code of Conduct and Compliance Guidelines (the Code of Conduct), which set forth standards of ethical behavior applicable to all Company employees and directors. The Code of Conduct contains a Code of Ethics for Senior Financial Officers, which details the Company's expectation that all financial, accounting, reporting, and auditing activities of the Company be conducted in strict compliance with all applicable rules and regulations, and in accordance with the highest ethical standards. The Code of Conduct, including the Code of Ethics for Senior Financial Officers, can be found on our website at www.brown-forman.com/company/governance.

Disclosure Controls Committee. The Company has a Disclosure Controls Committee, which is composed of members of management. The committee has established controls and procedures designed to ensure that information that may be required to be disclosed publicly is gathered and communicated to the committee and, if required, reported in a timely and accurate manner. The committee is also responsible for developing and implementing procedures to assist the Company in complying with SEC Regulation FD (Fair Disclosure). The committee has implemented a financial review process that enables our Chief Executive Officer and Chief Financial Officer to certify our quarterly and annual financial reports with confidence.

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Risk Committee. The Risk Committee, which is composed of members of management, leads the Company's ERMP. The objective of the program is to protect the long-term viability of the Company's business through the identification and management of both the upside and downside potential of risk. Core attributes of the program include the development and implementation of risk management policies and specific corporate governance structures, and the oversight of ongoing processes for identifying, assessing, and prioritizing risk. In support of the program's objectives, the committee is responsible for identifying critical risks facing the Company and assessing the adequacy of measures in place to manage those risks; for communicating the role of all employees in the ERMP; and for integrating the discussion of risk into decision making processes.

OUR CONTROLLING FAMILY STOCKHOLDERS.

Unlike most public companies, Brown-Forman has an engaged family stockholder base with a long-term ownership perspective. We view our status as a publicly traded, family-controlled company as a distinct source of competitive advantage, and we believe that a strong relationship with the Brown family is essential to our growth, independence, and long-term value creation for all stockholders. We therefore actively cultivate our relationship with the Brown family.

Brown-Forman/Brown Family Shareholders Committee. The Brown-Forman/Brown Family Shareholders Committee encourages and provides a forum for open, constructive and frequent dialogue between the Company and its controlling family stockholders. Designed for broad family participation, and including several non-family Company executives, the committee has developed policies and formed working groups to study areas of particular interest to the Brown family, such as family governance, philanthropy, and family members' education and employment at the Company.

Director of Family Shareholder Relations. The Director of Family Shareholder Relations works with Company employees and Brown family members to develop and implement policies and practices designed to further strengthen the relationship between the Company and the Brown family.

Brown Family Member Employees. The Company employs ten Brown family members at various levels. Some Brown family employees participate on Company management committees that oversee various strategic and operational matters. Participation on these committees enables our Brown family employees to contribute their perspectives to important issues facing the Company, as well as provides valuable professional development opportunities.

Compliance with Securities Laws. The Company conducts its interactions with Brown family members in a manner consistent with all applicable securities and disclosure rules and regulations.

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ELECTION OF DIRECTORS

This section provides biographical information about our director nominees.

PROPOSAL 1: ELECTION OF DIRECTORS

Election of Directors at the Annual Meeting. There are eleven director nominees on this year's slate. The proxy holders will vote all Class A shares for which they receive a proxy *FOR* the election of all director nominees below, except in respect of proxy cards directing them to vote against, or to abstain from voting for, certain or all of the nominees. If any nominee becomes unable to serve before the meeting, the persons named as proxy holders may vote the shares for which they hold proxies for a substitute nominee. As of the date of this Proxy Statement, the Board is not aware of any nominee who is unwilling or unable to serve as director.

Nominees. Set forth below is certain biographical information about our director nominees, including a description of the specific experience, qualifications, attributes and skills that led to the conclusion that the person should serve as a member of our Board, in light of our business and status as a family controlled company. Each of our director nominees currently serves as a director of Brown-Forman.

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

Name, Age as of the July 26, 2012 Annual Meeting, Term as Director,

Current Position, Business Experience, Other Directorships, and Board Qualifications

JOAN C. LORDI AMBLE, 59, director since 2011. Retired in 2011 from American Express as Executive Vice President, Finance; Executive Vice President and Comptroller of American Express Company from 2004 to 2011; Chief Financial Officer and Chief Operating Officer, GE Capital Markets from 2003 to 2004; Vice President and Controller of GE Capital Services from 1994 to 2003. Other Directorships: From 2006 until 2008, Ms. Amble served as a director of XM Satellite Radio Holdings, Inc. From 2009 to 2011, Ms. Amble served as a director of Broadcom. Ms. Amble has been a director of Sirius XM Radio since 2008.

Ms. Amble's individual qualifications and skills include extensive experience in finance, accounting, operations, financial controls, Sarbanes-Oxley compliance, and risk management. In addition, Ms. Amble brings to the Board international and strategic planning expertise.

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Name, Age as of the July 26, 2012 Annual Meeting, Term as Director,

Current Position, Business Experience, Other Directorships, and Board Qualifications

PATRICK BOUSQUET-CHAVANNE, 54, director since 2005. Co-Chairman of Yoostar Entertainment Group, the developer of the Yoostar social video gaming website and interactive entertainment system, since May 2010; President and Chief Executive Officer of Yoostar since 2009; President and Chief Executive Officer from 2008 to 2009 of T-Ink Technologies, Inc., a company specializing in advanced conductive technology applied to ready-to-wear; Group President of The Estée Lauder Companies Inc. from 2001 through 2008; President of Estée Lauder International, Inc., from 1998 to 2001. Prior to joining The Estée Lauder Companies in 1998, Mr. Bousquet-Chavanne served as Executive Vice-President International Operations for Parfums Christian Dior S.A., a division of LVMH. Other directorships: HSNi Corporation.

Mr. Bousquet-Chavanne's individual qualifications and skills include senior management experience at one of the world's leading manufacturers and marketers of branded consumer goods, including experience with branding, licensing, distribution and international expansion. In addition, Mr. Bousquet-Chavanne has experience from Estée Lauder dealing with governance issues relevant to family controlled public companies.

GEO. GARVIN BROWN IV, 43, director since 2006. Joined Brown-Forman as an employee in 1996. Chairman of the Board since 2011; Presiding Chairman of the Board from 2007-2011; Executive Vice President of Brown-Forman Corporation; Senior Vice President and Managing Director of Western Europe and Africa from 2009 to 2011; Vice President and Jack Daniel's Brand Director in Europe and Africa from 2004 to 2008; Director of the Office of the Chairman and Chief Executive Officer from 2002 to 2004.

Mr. Brown's individual qualifications and skills include the business and industry experience he has gained by serving in operational, management and executive positions within the Company, his deep knowledge of corporate governance, and the special perspectives he brings to the Board as a fifth generation Brown family stockholder and as a member of Company senior management.

MARTIN S. BROWN, JR., 48, director since 2006. Partner, Adams and Reese LLP, a law firm, since 2005; Partner, Stokes & Bartholomew, P.A. (a predecessor firm to Adams and Reese LLP) from 1999 to 2005.

Mr. Brown's individual qualifications and skills include twenty years of experience as a lawyer advising clients on mergers and acquisitions, equity securities offerings, and general business matters, as well as commercial lending and general financial services experience. In addition, Mr. Brown brings to the Board his perspective as a fifth generation Brown family stockholder.

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Name, Age as of the July 26, 2012 Annual Meeting, Term as Director,

Current Position, Business Experience, Other Directorships, and Board Qualifications

BRUCE L. BYRNES, 64, director since 2010. Vice Chairman of the Board for The Procter and Gamble Company (P&G) from 2002 to 2008. Mr. Byrnes retired in 2008 following a 38-year career at P&G, during which he held the following positions: Vice Chairman, Global Brand Building Training from 2007 to 2008; Vice Chairman, Global Household Care Division from 2004 to 2007. Other directorships: Boston Scientific Corporation since 2009, Cincinnati Bell, Inc. since 2003, and Diebold Inc. since 2010.

Mr. Byrnes's individual qualifications and skills include his executive leadership of a global consumer goods company; his expertise in brand building and brand management; financial expertise; international marketing and operational experience and corporate strategy.

JOHN D. COOK, 59, director since 2008. Director Emeritus of McKinsey & Company; Director, McKinsey & Company from 2003 to 2008. Earlier in his career, Mr. Cook worked in brand management at The Procter & Gamble Company, and more recently, held the number two management position at The Kellogg Company.

Mr. Cook's individual qualifications and skills include those gained during his thirty-two-year career advising and managing consumer products companies. He brings to the Board leadership, senior management experience, financial expertise, marketing skills, international expertise, experience with strategic acquisitions and integrations, and a history of shareholder value creation.

SANDRA A. FRAZIER, 40, director since 2006. Founder and Partner, Tandem Public Relations, LLC, since 2005; Public Relations Account Manager at Doe Anderson, Inc., from 2002 to 2005; Project Assistant at Schneider Associates Public Relations from 2000 to 2001. Other directorships: Commonwealth Bank and Trust Company from 2006 to 2010; The Glenview Trust Company since 2011.

Ms. Frazier's individual qualifications and skills include leadership and management skills gained through founding and managing a public relations firm, communication skills, strategic thinking, and community relations experience. In addition, Ms. Frazier brings to the Board her perspective as a fifth generation Brown family stockholder.

WILLIAM E. MITCHELL, 68, director since 2007. Founder and managing partner of Sequel Capital Management, LLC. Chairman of the Board of Arrow Electronics, Inc., from 2006 to 2009, and President and Chief Executive Officer of Arrow Electronics, Inc. from 2003 to 2009. Executive Vice President of Solectron Corporation and President of Solectron Global Services, Inc., from 1999 to 2003. Other directorships: National Semiconductor Corporation from 2010 to 2011; Humana Incorporated since 2009, Rogers Corporation since 1994, and Spansion Inc. since 2011.

Mr. Mitchell's individual qualifications and skills include global business leadership and operations experience, financial expertise, global sales and marketing experience, and experience with global supply chain and distribution strategies for industrial and consumer goods. In addition, Mr. Mitchell has experience as an independent director on other public company boards.

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Name, Age as of the July 26, 2012 Annual Meeting, Term as Director,

Current Position, Business Experience, Other Directorships, and Board Qualifications

DACE BROWN STUBBS, 65, director since 1999. Private investor. Ms. Stubbs' s individual qualifications and skills include extensive service on numerous non-profit and civic boards, investment experience, and her unique perspective as a fourth generation Brown family member.

PAUL C. VARGA, 48, director since 2003, a twenty-five-year employee of Brown-Forman. Company Chairman since August 2007; Chief Executive Officer since 2005; President and Chief Executive Officer of Brown-Forman Beverages (a division of Brown-Forman) from 2003 to 2005; Global Chief Marketing Officer for Brown-Forman Spirits from 2000 to 2003. Other Directorships: Macy's, Inc. since 2012.

Mr. Varga' s individual qualifications and skills include his in-depth knowledge of the Company' s business, operations and strategy, extensive knowledge of the beverage alcohol industry, sales and marketing expertise, financial expertise, strategic thinking, leadership, management, consensus-building and communication skills.

JAMES S. WELCH, JR., 53, director since 2007, a twenty-three-year employee of Brown-Forman. Vice Chairman, Executive Director of Corporate Affairs, Strategy, Diversity, and Human Resources since 2007; Vice Chairman, Executive Director of Corporate Strategy and Human Resources from 2003 to 2007; Senior Vice President and Executive Director of Human Resources from 1999 to 2003.

Mr. Welch' s individual qualifications and skills include the extensive leadership, management and operational experience gained during his tenure as a Company employee, as well as experience with corporate strategy, organizational effectiveness, and public affairs. In addition, Mr. Welch is actively involved in leadership roles on local civic boards.

Family Relationships. No family relationship first cousin or closer exists between any two directors, executive officers, or persons nominated or chosen by the Company to become a director or executive officer, except Director Geo. Garvin Brown IV is the nephew of Director Dace Brown Stubbs.

Table of Contents**STOCK OWNERSHIP**

This section identifies the beneficial owners of more than 5% of our voting stock, as well as the stock ownership of our directors and executive officers.

BENEFICIAL OWNERS OF MORE THAN 5% OF THE COMPANY'S VOTING STOCK.

The table below identifies each beneficial owner of more than 5% of our Class A common stock, our only class of voting stock, as of April 30, 2012. The SEC defines beneficial ownership to include shares over which a person has sole or shared voting or investment power. Each of the beneficial owners listed in the table below is either a Brown family member, an entity or trust controlled by Brown family members, or an individual serving as an advisor to a Brown family trust at the request of Brown family members.

The Brown family holds Class A shares in a variety of family trusts and entities, with multiple family members often sharing voting control and investment power as members of advisory committees to the trusts or as owners or officers of the entities. As a result, many of the shares shown in the table below are counted more than once, as they are deemed to be beneficially owned by more than one of the persons identified in the table. Counting each share only once, the aggregate number of shares of Class A common stock beneficially owned by the persons in this table is 39,005,177 shares, or 69.3% of the 56,258,165 Class A shares outstanding as of the close of business on April 30, 2012.

The table below confirms that the Brown family continues its long-standing voting control of Brown-Forman Corporation.

Beneficial Ownership of Class A Common Stock as of April 30, 2012

| Name and Address | Amount and Nature of Beneficial Ownership ⁽¹⁾ | | | Percent of Class |
|---|--|--------------------------|--------------------------|------------------|
| | Sole | Shared | Total | |
| J. McCauley Brown 850 Dixie Highway Louisville, Kentucky 40210 | 2,057,842 ⁽²⁾ | 5,653,921 ⁽²⁾ | 7,711,763 ⁽²⁾ | 13.7% |
| Owsley Brown Family Group ⁽³⁾ Preston Pointe Building 333 East Main Street, Suite 400 Louisville, Kentucky 40210 | 2,427,369 | 4,446,226 | 6,873,595 | 12.2% |
| Owsley Brown Frazier Family Group ⁽⁴⁾ 829 West Main Street Louisville, Kentucky 40202 | 727,003 | 5,709,235 | 6,436,238 | 11.4% |

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| | | | | |
|---|-----------|-----------|-----------|-------|
| Avish Agincourt, LLC 829 West Main Street Louisville, Kentucky 40202 | 0 | 5,653,921 | 5,653,921 | 10.0% |
| Ina Brown Bond 622 North Ocean Boulevard Delray Beach, Florida 33483 | 24,660 | 5,458,977 | 5,483,637 | 9.8% |
| G. Garvin Brown III Family Group ⁽⁵⁾ 850 Dixie Highway Louisville, Kentucky 40210 | 1,857,234 | 2,652,491 | 4,509,725 | 8.0% |

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| Name and Address | Amount and Nature of Beneficial Ownership ⁽¹⁾ Voting and Investment Power | | | Percent of Class |
|--|---|-----------|-----------|---------------------|
| | Sole | Shared | Total | |
| Laura Lee Brown 710 West Main Street, Suite 201 Louisville, Kentucky 40202 | 2,737,401 | 1,089,940 | 3,827,341 | 6.8% |
| Martin S. Brown, Sr. 5214 Maryland Way, Suite 404 Brentwood, Tennessee 37027 | 5,061 | 3,542,993 | 3,548,054 | 6.3% |
| A. Cary Brown 320 Whittington Parkway, Suite 206 Louisville, Kentucky 40222 | 507,408 | 2,811,213 | 3,318,621 | 5.9% |
| River Bend 2011 Limited Partnership 622 North Ocean Boulevard Delray Beach, Florida 33483 | 0 | 3,189,906 | 3,189,906 | 5.7% |
| Stuart R. Brown 320 Whittington Parkway, Suite 206 Louisville, Kentucky 40222 | 207,101 | 2,906,049 | 3,113,150 | 5.5% |
| Sandra A. Frazier 304 West Liberty Street, Suite 200 Louisville, Kentucky 40202 | 937,679 | 2,116,314 | 3,053,993 | 5.4% |
| W.L. Lyons Brown III 320 Whittington Parkway, Suite 206 Louisville, Kentucky 40222 | 464 | 2,869,020 | 2,869,484 | 5.1% |
| Dace Brown Stubbs 135 Sago Palm Road Vero Beach, Florida 32963 | 2,801,574 | 11,023 | 2,812,597 | 5.0% |

(1) Based upon information furnished to the Company by the named persons and information contained in filings with the SEC.

(2) For J. McCauley Brown, amounts set forth above reflect voting power only. Mr. Brown holds sole investment power over 264,014 shares of Class A common stock and shared investment power over 6,264,086 shares of Class A common stock.

- (3) The Owsley Brown Family Group, which has agreed in principle to act together for the purpose of holding and voting certain shares of Class A common stock reflected in the table, consists of the following members:

| Name | Amount and Nature of Beneficial Ownership Investment Power | | | Percent of Class |
|-----------------------|---|-----------|-----------|---------------------|
| | Sole | Shared | Total | |
| Christina Lee Brown | 1,350,397 | 3,718,868 | 5,069,265 | 9.0% |
| Owsley Brown III | 74,029 | 2,273,216 | 2,347,245 | 4.2% |
| Brooke Brown Barzun | 372,899 | 2,646,070 | 3,018,969 | 5.4% |
| Augusta Brown Holland | 630,044 | 1,846,428 | 2,476,472 | 4.4% |

The aggregate holdings of the Owsley Brown Family Group listed in the main table refer to shares over which the group members have sole or shared investment power. The group has shared voting power over an aggregate of 5,917,028 Class A shares. Individually, Christina Lee Brown and Owsley Brown III each have shared voting power over 5,913,694 Class A shares, and Brooke Brown Barzun and Augusta Brown Holland each have shared voting power over 5,915,361 Class A shares.

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- (4) The Owsley Brown Frazier Family Group, which has agreed in principle to act together for the purpose of holding and voting certain shares of Class A common stock reflected in the table, consists of the following members:

| Name | Amount and Nature of Beneficial Ownership Voting and Investment Power | | | Percent of Class |
|--------------------------------------|--|-----------|-----------|---------------------|
| | Sole | Shared | Total | |
| Owsley Brown Frazier | 415,514 | 5,653,921 | 6,069,435 | 10.8% |
| Laura Frazier | 147,049 | 5,657,161 | 5,804,210 | 10.3% |
| Catherine Frazier Joy | 164,440 | 5,705,995 | 5,870,435 | 10.4% |
| OBF 2011 Irrevocable Trust | 0 | 5,653,921 | 5,653,921 | 10.0% |
| ABF Trust f/b/o Owsley Brown Frazier | 0 | 5,653,921 | 5,653,921 | 10.0% |

- (5) The G. Garvin Brown III Family Group, which has agreed in principle to act together for the purpose of holding and voting certain shares of Class A common stock reflected in the table, consists of the following members:

| Name | Amount and Nature of Beneficial Ownership Voting and Investment Power | | | Percent of Class |
|----------------------|--|-----------|-----------|---------------------|
| | Sole | Shared | Total | |
| Campbell P. Brown | 943,857 | 2,652,491 | 3,596,348 | 6.4% |
| Geo. Garvin Brown IV | 913,377 | 2,642,371 | 3,555,748 | 6.3% |

Table of Contents**STOCK OWNED BY DIRECTORS AND EXECUTIVE OFFICERS.**

The following table sets forth as of April 30, 2012, the beneficial ownership of our Class A and Class B common stock of each current director, each director nominee, each executive officer named in the Summary Compensation Table for Fiscal 2012 found on page 43, and of all directors and executive officers as a group. Some shares shown below are beneficially owned by more than one person. As of the close of business on April 30, 2012, there were 56,258,165 shares of Class A common stock and 85,821,802 shares of Class B common stock outstanding. In calculating the aggregate number of shares and percentages owned by all directors and executive officers as a group, which includes shares owned by persons not named in this table, we counted each share only once.

Stock Beneficially Owned by Directors and Executive Officers as of April 30, 2012

| Name ⁽¹⁾ | Class A Common Stock ⁽²⁾ | | | % of Class | Class B Common Stock ⁽²⁾ | | | % of Class |
|--|-------------------------------------|-----------|-----------|------------|-------------------------------------|---------|-----------|------------|
| | Voting or Investment Power | | | | Investment Power | | | |
| | Sole | Shared | Total | | Sole | Shared | Total | |
| Joan C. Lordi Amble | 1,000 | 0 | 1,000 | * | 644 ⁽³⁾ | 0 | 644 | * |
| Donald C. Berg | 11,432 ⁽³⁾ | 0 | 11,432 | * | 116,183 ⁽³⁾⁽⁶⁾ | 0 | 116,183 | * |
| Patrick Bousquet-Chavanne | 0 | 0 | 0 | * | 38,528 ⁽³⁾ | 0 | 38,528 | * |
| Geo. Garvin Brown IV | 913,377 ⁽⁴⁾ | 2,642,371 | 3,555,748 | 6.3% | 248,445 ⁽³⁾⁽⁵⁾⁽⁶⁾ | 363,691 | 612,136 | * |
| Martin S. Brown, Jr. | 172,982 | 30 | 173,012 | * | 61,100 ⁽³⁾ | 7 | 61,107 | * |
| Bruce L. Byrnes | 0 | 0 | 0 | * | 1,260 ⁽³⁾ | 0 | 1,260 | * |
| John D. Cook | 0 | 0 | 0 | * | 15,495 ⁽³⁾ | 0 | 15,495 | * |
| Sandra A. Frazier | 937,679 | 2,116,314 | 3,053,993 | 5.4% | 252,433 ⁽³⁾ | 529,078 | 781,511 | * |
| Richard P. Mayer | 4,855 | 0 | 4,855 | * | 48,666 ⁽³⁾ | 0 | 48,666 | * |
| Mark I. McCallum | 6,924 ⁽³⁾ | 0 | 6,924 | * | 64,304 ⁽³⁾ | 18 | 64,322 | * |
| William E. Mitchell | 1,000 | 0 | 1,000 | * | 19,097 ⁽³⁾ | 0 | 19,097 | * |
| Kris Sirchio | 0 ⁽³⁾ | 0 | 0 | * | 3,663 ⁽³⁾ | 0 | 3,663 | * |
| Dace Brown Stubbs | 2,801,574 | 11,023 | 2,812,597 | 5.0% | 730,537 ⁽³⁾ | 2,756 | 733,293 | * |
| Paul C. Varga | 73,975 ⁽³⁾ | 0 | 73,975 | * | 82,779 ⁽³⁾ | 0 | 82,779 | * |
| James S. Welch, Jr. | 12,451 ⁽³⁾ | 0 | 12,451 | * | 91,995 ⁽³⁾ | 0 | 91,995 | * |
| All Directors and Executive Officers as a Group (18 persons, including those named above) ⁽⁷⁾ | 4,943,620 ⁽⁸⁾ | 4,769,738 | 9,713,358 | 17.3% | 1,888,937 ⁽⁸⁾⁽⁹⁾ | 895,610 | 2,784,547 | 3.2% |

* Represents less than 1% of the class.

(1) The address for each of the persons named in the table is 850 Dixie Highway, Louisville, Kentucky 40210.

(2) Based upon Company information, information furnished to the Company by the named persons, and information contained in filings with the SEC. Under SEC rules, a person is deemed to beneficially own shares over which the person has or shares voting or investment power or of which the person has the right to acquire beneficial ownership within 60 days (including shares underlying options or stock appreciation rights that are exercisable within 60 days).

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- (3) Includes the following shares subject to Class B common stock options or stock-settled stock appreciation rights (SSARs) that are currently exercisable or that will become exercisable on or before June 29, 2012 (60 days after April 30, 2012), and Class B deferred stock units that vest over the course of the board year. Performance-based Class A common stock reflected below, over which the named persons have sole voting power, was issued on June 1, 2012 and is not included in the main table:

| Name | Class B | | | |
|---------------------------|--------------------------------|------------------|--------|-------------------------|
| | Class A Restricted Stock | Stock Options | SSARs | Deferred Stock Units |
| Joan C. Lordi Amble | 0 | 0 | 0 | 644 |
| Donald C. Berg | 3,638 | 15,358 | 71,609 | 0 |
| Patrick Bousquet-Chavanne | 0 | 572 | 36,108 | 1,848 |
| Geo. Garvin Brown IV | 0 | 3,117 | 6,567 | 0 |
| Martin S. Brown, Jr. | 0 | 0 | 14,939 | 1,026 |
| Bruce L. Byrnes | 0 | 0 | 0 | 1,260 |
| John D. Cook | 0 | 0 | 13,647 | 1,848 |
| Sandra A. Frazier | 0 | 0 | 14,939 | 1,026 |
| Richard P. Mayer | 0 | 6,976 | 24,590 | 1,848 |
| Mark I. McCallum | 7,579 | 16,933 | 47,371 | 0 |
| William E. Mitchell | 0 | 0 | 17,410 | 1,437 |
| Kris Sirchio | 1,130 | 0 | 3,663 | 0 |
| Dace Brown Stubbs | 0 | 6,976 | 18,012 | 1,437 |
| Paul C. Varga | 15,787 | 0 | 61,266 | 0 |
| James S. Welch, Jr. | 5,820 | 15,958 | 71,786 | 0 |

- (4) Includes 154,767 shares of Class A common stock pledged as security.
- (5) Includes 158,161 shares of Class B common stock pledged as security.
- (6) Includes Class B common stock held in the Company's 401(k) plan as of the close of business April 30, 2011, as follows: for Donald C. Berg, 2,623 shares; for Geo. Garvin Brown IV, 6,878 shares.
- (7) All directors and executive officers as a group includes 18 persons, including those directors and officers named in the table. In calculating the aggregate number of shares and percentages owned by all directors and executive officers as a group, each share is counted only once.
- (8) Includes 12,374 Class B deferred stock units held by all directors and executive officers as a group. Shares of Class A restricted stock issued on June 1, 2012, are not included.
- (9) Includes 72,940 Class B common stock options and 488,932 Class B common stock SSARs held by all directors and executive officers as a group that are exercisable on or before June 29, 2012 (60 days after April 30, 2012).

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors, and beneficial owners of more than 10% of our Class A common stock to file stock ownership reports and reports of changes in ownership with the SEC. Based on a review of those reports and written representations from the reporting persons, we believe that during fiscal 2012, these persons reported all transactions on a timely basis, except for the following late filings, nearly all of which related to family gifts and estate planning transactions: Form 3 by the

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Owsley Brown Frazier 2011 Irrevocable Trust; Form 3 by Avish Agincourt LLC; Form 4 by Avish Agincourt LLC reporting a disposition of 614,326 Class B shares; Form 4 by Ina Brown Bond reporting an acquisition of an indirect interest in 3,818 Class A shares and 998 Class B shares held by an LLC; Form 4 by Ina Brown Bond reporting an acquisition of an interest in 1,380 Class A shares held by a trust; Form 4 by Geo. Garvin Brown IV reporting a gift of 580 Class A shares; Form 4 by Geo. Garvin Brown IV reporting

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the acquisition of an interest in 3,419 Class A shares and 1,513 Class B shares held by a trust; Form 4 by Catherine Frazier Joy and Laura Frazier, each reporting acquisitions by gift of 131,554 Class A shares, 56,380 Class A shares, 117,531 Class B shares and 50,370 Class B shares, all held by a limited liability company; Form 4 by Dace Brown Stubbs, reporting fourteen transfers of interests in Class A and Class B shares held by a limited partnership; Form 5 by J. McCauley Brown with a late report of a family member's purchase of 179 shares.

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PROPOSAL 2: AMENDMENT TO RESTATED CERTIFICATE OF INCORPORATION TO INCREASE NUMBER OF AUTHORIZED SHARES OF CLASS A AND CLASS B COMMON STOCK.

General

Our Board of Directors has approved an amendment to the Company's Restated Certificate of Incorporation to authorize an additional 28 million shares of Class A common stock and an additional 300 million shares of Class B common stock. The Board determined that such amendment is advisable and directed that the proposed amendment be submitted to a vote of the Company's Class A and Class B common stockholders at the Company's Annual Meeting of Stockholders. The following discussion is qualified in its entirety by reference to the proposed amendment, a copy of which is attached hereto as Appendix A.

Purpose of the Proposed Amendment

On June 14, 2012, the Board authorized a 3 for 2 stock split (the "Stock Split") for shares of the Company's Class A and Class B common stock, subject to stockholder approval of an amendment (the "Amendment") to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock. Currently, the Company does not have enough authorized shares of Class A common stock or Class B common stock to effect the Stock Split, so the Company is seeking stockholder approval to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of \$0.15 par value Class A Common Stock to 85,000,000 from 57,000,000 and increase the number of authorized shares of \$0.15 par value Class B Common Stock to 400,000,000 from 100,000,000. Accordingly, the primary purpose of the Amendment is to provide a sufficient number of shares to implement the Stock Split.

Effect of the Proposed Amendment

The Stock Split will be effected as a stock dividend and will require the Company to issue one new share of Class A common stock for each two shares of Class A common stock outstanding and one new share of Class B common stock for each two shares of Class B common stock outstanding. The Stock Split is anticipated to be paid on or about August 10, 2012, to stockholders of record on or about August 3, 2012. Where the amount of stock issuable as a result of the Stock Split is less than one share, cash will be paid in lieu of fractional shares; provided, however, fractional shares will be issued to participants in the Company's Class B common stock fund (ESOP) within the 401(k) plan, Employee Stock Purchase Plan and Dividend Reinvestment Plan. In accordance with the terms of the Company's equity compensation plans, appropriate adjustments will be made to the number of shares of common stock that remain available for issuance under such plans, as well as in the number of shares or other securities and the grant or exercise price of outstanding equity awards. The stock dividend will not be paid on the Company's treasury shares. The shares payable as a result of the Stock Split will have the same rights as the shares in respect of which they are being paid. Holders of our common stock have no preemptive or similar rights to subscribe for or purchase such shares.

If this proposal is approved, the Company will file the Amendment with the Delaware Secretary of State on the dividend record date, on or about August 3, 2012. Following the Amendment and Stock Split, there will remain available as authorized but unissued stock no shares of Class A common stock and approximately 257,721,000 shares of Class B common stock, which shares will be available for issuance for various corporate purposes. The Board of Directors believes that it is prudent for the Company to have an adequate reserve of authorized but unissued shares of Class B common stock so that the Company has the flexibility to meet changing circumstances. However, other than the Stock Split, and except for shares reserved for issuance under existing equity compensation plans, the Board of Directors has no current plans, proposals or arrangements to issue any of the additional shares authorized by the Amendment. The additional authorized shares would provide flexibility for future capital raising efforts, acquisitions and other appropriate corporate transactions, and could have the effect of discouraging a merger, tender offer, proxy contest or other attempt to obtain control of the

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Company where the Board of Directors believes such a merger, tender offer, proxy contest or other action is not in the best interests of the Company. The additional shares will be available for issuance from time to time at the discretion of the Board of Directors, normally without further stockholder action (except as may be required for a particular transaction by applicable law, requirements of regulatory agencies or by NYSE rules), for any proper corporate purpose.

The Company has been advised that the proposed Stock Split would not result in recognition of gain, loss, or other taxable income by holders of our common stock under existing U.S. Federal income tax laws. The cost basis of each two shares held before the Stock Split will be allocated pro rata among the three shares held as a result of the Stock Split. In addition, the holding period for the additional shares issued pursuant to the Stock Split would be deemed to be the same as the holding period for the original shares of common stock. Because the Company cannot provide tax advice to its stockholders, you should contact your tax advisor with any questions about the tax consequences of the Stock Split. In addition, stockholders who are subject to the tax laws of other jurisdictions are urged to consult their tax advisors regarding any tax consequences of the Stock Split under such laws.

If stockholders dispose of their shares after the Stock Split, they may pay higher brokerage commissions on the same relative interest in the Company because that interest is represented by a greater number of shares. You should consult your broker for assistance with determining whether any increased fees would apply to transactions occurring after the Stock Split.

The Board of Directors has determined it to be in the best interests of the Company and its stockholders to adopt the following resolution to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock. Notwithstanding stockholder approval of the Amendment, and without further action by the stockholders, the Board of Directors reserves the right to elect not to proceed with filing the Amendment if the Board determines that it is no longer in the best interests of the Company and its stockholders to proceed with the Stock Split. A majority of the Company's outstanding Class A common stock and a majority of the Company's outstanding Class B common stock must be voted in favor of the Amendment in order for the Amendment to be approved. Class B common stockholders are voting on the increase in the authorized number of shares of Class B common stock only.

RESOLVED, that the first paragraph of Article Fourth of the Company's Restated Certificate of Incorporation be and is hereby amended and restated in its entirety to read as follows:

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is Four Hundred Eighty-Five Million (485,000,000) shares, divided into (a) Eighty-Five Million (85,000,000) shares of Class A Common Stock of the par value of Fifteen Cents (15¢) each; and (b) Four Hundred Million (400,000,000) shares of Class B Common Stock of the par value of Fifteen Cents (15¢) each.

The Board of Directors unanimously recommends a vote *FOR* the proposal to amend the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Class A and Class B common stock.

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AUDIT COMMITTEE

This section is a report of the Audit Committee of the Board of Directors. It explains the role of the Audit Committee and sets forth the fees paid to our independent registered public accounting firm.

AUDIT COMMITTEE REPORT.

The Board has delegated to the Audit Committee (the Committee) responsibility to assist it in overseeing the Company's most significant risks financial and otherwise and in periodically reviewing how management monitors and manages those risks. During fiscal 2012, the Committee met with management, including the CEO, CFO, principal accounting officer, the Director of Internal Audit and members of the management Risk Committee, to review management's risk register and confirm that key risks to the Company have been identified and that appropriate mitigation activities are taking place. In addition, during fiscal 2012, risk management was an agenda item for all Committee meetings held in connection with regularly scheduled Board meetings. The Committee reported to the Board the results and findings of all of its enterprise risk oversight activities this past fiscal year.

The Committee is responsible for overseeing the integrity of the Company's financial statements on behalf of the Board. Management is responsible for establishing and maintaining the Company's internal controls, for preparing the financial statements, and for the public reporting process. The Company's internal audit function is responsible for preparing and executing an annual internal audit plan under the supervision of the Director of Internal Audit, who is accountable to the Audit Committee. The independent registered public accounting firm is responsible for performing an audit of the Company's financial statements in accordance with the standards of the Public Company Accounting Oversight Board and for issuing a report on its audit. The independent registered public accounting firm also reports on the effectiveness of the Company's internal control over financial reporting. The Committee reviews the work of management in respect of these matters and has direct responsibility for retention of the independent registered public accounting firm on behalf of the Board of Directors.

On behalf of the Board, the Committee retained PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm to audit the Company's consolidated financial statements and the Company's internal control over financial reporting for fiscal 2012. The Committee reviewed and discussed with management and the independent registered public accounting firm the audited financial statements as of and for the fiscal year ended April 30, 2012. In addition, the Committee reviewed and discussed with management management's assessment of the effectiveness of the Company's internal control over financial reporting and, with PwC, PwC's evaluation of the Company's system of internal controls. These discussions included meetings with PwC without representatives of management present, and executive sessions with the Director of Internal Audit.

The Committee discussed with PwC matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. PwC provided the Committee with the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with audit committees concerning independence, and the committee discussed with PwC the firm's independence and ability to conduct the audit. The Committee has determined that PwC's provision of audit and non-audit services to the Company is compatible with maintaining auditor independence.

Based on the foregoing, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2012.

AUDIT COMMITTEE

William E. Mitchell, Chairman

Joan C. Lordi Amble

Bruce L. Byrnes

John D. Cook

Table of Contents**FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

The following table presents the fees the Company incurred for the professional services provided by PwC for fiscal years 2011 and 2012.

| | Fiscal Years | |
|--------------------|-----------------------------|---------------------|
| | 2011 | 2012 |
| Audit Fees | \$ 1,355,330 ⁽¹⁾ | \$ 1,356,078 |
| Audit-Related Fees | 140,650 | 138,700 |
| Tax Fees | 236,963 ⁽²⁾ | 199,985 |
| All Other Fees | 0 | 0 |
| Total | \$ 1,732,943 | \$ 1,694,783 |

(1) Includes \$30,000 in fees paid in fiscal 2012 related to the sale of the Company's Hopland-based wines.

(2) Includes \$38,781 in fees paid in fiscal 2012.

Audit Fees. This category consists of the audit of the Company's annual financial statements included in the Company's Annual Report on Form 10-K, attestation services relating to the report on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, review of interim financial statements included in the Company's Form 10-Q quarterly reports, services normally provided in connection with statutory and regulatory filings or engagements, and statutory audits required by foreign jurisdictions. For fiscal 2012, this category also included fees related to services performed in connection with the Company's XBRL (eXtensible Business Reporting Language) reporting, as well as Company correspondence with the SEC. All such fees were pre-approved by the Audit Committee in accordance with the policy described below.

Audit-Related Fees. This category consists principally of fees related to the audits of employee benefit plans. All such fees were pre-approved by the Audit Committee in accordance with the policy described below.

Tax Fees. This category consists principally of fees related to international tax planning services. All such fees were pre-approved by the Audit Committee in accordance with the policy described below.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES.

It is the policy of the Audit Committee to pre-approve all audit services and permitted non-audit services (including an estimate of the fees or a range of fees) to be performed for the Company by its registered public accounting firm, subject to the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act. The Audit Committee pre-approved the fiscal 2012 audit and non-audit services provided by PwC. The non-audit services (tax fees) approved by the Audit Committee were also reviewed to ensure compatibility with maintaining the registered public accounting firm's independence. The Audit Committee has delegated to its Chairman the authority to pre-approve proposed audit and non-audit services that arise between meetings, with the understanding that the decision will be reviewed at the next scheduled Audit Committee meeting. During the approval process, the Audit Committee considers the potential impact of the type of service on the independence of the registered public accounting firm. Services and fees must be deemed compatible with the maintenance of the registered public accounting firm's independence, including compliance with SEC rules and regulations. The Audit Committee is prohibited from delegating to management the Audit Committee's responsibility to pre-approve permitted services of our independent registered public accounting firm. Throughout the year, the Audit Committee reviews any revisions to the estimates of fees initially approved.

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The Audit Committee has adopted other policies in an effort to ensure the independence of our independent registered public accounting firm. The Audit Committee must pre-approve PwC's rendering of personal financial and tax advice to any of the Company's designated executive officers. In addition, the Audit Committee has a policy that limits the Company's ability to hire certain current and former employees of our independent registered public accounting firm.

APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

The Audit Committee has appointed PwC to serve as the Company's independent registered public accounting firm for the fiscal year ending April 30, 2013. Through its predecessor Coopers & Lybrand L.L.P., PwC has served as the Company's auditor continuously since 1933. A PwC representative will attend the Annual Meeting, will be given the opportunity to make a statement should he or she so desire, and will be available to respond to appropriate questions. We know of no direct or material indirect financial interest that PwC has in the Company or any of our subsidiaries, or of any connection with the Company or any of our subsidiaries by PwC in the capacity of promoter, underwriter, voting trustee, director, officer, or employee.

Table of Contents**EXECUTIVE COMPENSATION**

This section explains our compensation philosophy and how we compensate our Named Executive Officers.

OVERVIEW OF COMPENSATION DISCUSSION AND ANALYSIS.

Objective of the Company's Executive Compensation Program. *The objective of our executive compensation program is to attract, motivate, reward, and retain a diverse team of talented executives to produce sustainable and superior, long-term value for our stockholders.*

Governance. The Compensation Committee of our Board of Directors (the Committee) is composed of four independent directors. The Committee, with the assistance of its independent compensation consultant, Frederic W. Cook & Co., establishes compensation for our Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers (our Named Executive Officers or NEOs) whose compensation is disclosed in this proxy statement.

Competitive Compensation. To ensure our ability to attract and retain executive talent, we review and compare our compensation practices to those of a group of high-performing brand-building consumer products companies with financial characteristics similar to Brown-Forman's. During each of our fiscal years 2009 through 2012, we observed that the target value of compensation paid to our NEOs was below our targeted market position when compared to the compensation of the companies we use for market compensation analysis. As a result, the Committee has thoughtfully and strategically over time increased the target level of compensation for certain NEOs toward more market-competitive levels.

Compensation Offered. Our NEOs receive a base salary, short-term (one-year) and long-term (three-year) cash incentive compensation, long-term equity incentive compensation (including stock-settled stock appreciation rights and performance-based restricted stock), benefits and limited perquisites that are generally available to all senior executives, and retirement and limited other post-employment compensation and benefits.

Pay-for-Performance. We believe in pay-for-performance and link both short-term and long-term incentive compensation to the achievement of performance objectives that are aligned with our corporate strategy. Our long-term business strategy is to be the best brand builder in the spirits industry. We believe that the most significant operational measure of our success is strong and sustained growth in underlying depletion-based operating income, which is the amount of operating profit the Company earns on the number of nine-liter equivalent cases depleted during a fiscal year. Depletions are shipments from the Company direct to retail, or from distributors to wholesale or retail customers, and are commonly regarded in our industry as an approximate measure of consumer demand. The chart below describes the performance metrics applicable to compensation granted in fiscal 2012:

| Compensation | Measure | Basis of Measurement |
|---|--|--|
| Short-Term Cash | Underlying Depletion-Based Operating Income Growth | Growth Relative to Prior Year and Industry Peers |
| Long-Term Cash | Total Shareholder Return | Relative to Comparator Companies |
| Stock-Settled Stock Appreciation Rights | Stock Price Growth | Absolute Increase in Stock Price |
| Performance-Based Restricted Stock | | |

Adjusted Depletion-Based Operating Income
Growth

Absolute and Relative to 3-year
GDP Growth in our
Most Significant Markets

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Fiscal 2012 Company Performance. Brown-Forman delivered strong performance for fiscal 2012. The Company reported growth in underlying depletion-based operating income of 9% for fiscal 2012, which was above the weighted average for its beverage alcohol industry competitive set. Total shareholder return for the Company for the three-year period ending in fiscal 2012 was 26%, which was above the S&P 500 average of 19% and above the average of our industry competitive set, which was 21%.

Payouts for Performance-based Compensation. Short-term cash incentives paid for fiscal 2012 were based primarily on the Company's underlying depletion-based operating income growth relative to a target established by the Committee at the beginning of the relevant performance period. The Committee's primary consideration when establishing the target is the performance expectations on this metric for industry competitors, as it is the Company's intent to consistently and sustainably outperform its industry peers. The Company's fiscal 2012 growth in depletion-based operating income of 9% was above the expected average of the industry competitive set of 7%. As a result, short-term cash incentives were paid out at 122% (expressed as a percentage of target). For long-term cash incentives paid in fiscal 2012 (for the three-year performance period that ended at the conclusion of fiscal 2012), Company cumulative total shareholder return over the performance period placed it at the 77th percentile when compared to the S&P Consumer Staples Index. This high relative performance compared to the Index resulted in a payout of 188% of target. Performance-based restricted stock awards that were converted into restricted shares at the conclusion of fiscal 2012 were based on a comparison of the Company's depletion-based operating income growth (on an adjusted basis) over a three-year period to that of the gross domestic product of an index of countries aligned with our current and anticipated business markets. Brown-Forman's growth rate for this particular metric exceeded that of the index by 4 percentage points, resulting in a payout of 107% of target.

Equity Compensation. We use equity-based incentive compensation as a means of aligning the economic interests of our executives with those of our stockholders. We offer our NEOs performance-based restricted Class A common stock and Class B common stock-settled stock appreciation rights (SSARs). The market prices of our Class A and Class B common stock increased during fiscal 2012, which positively affected the value of our executives' accumulated equity-based incentives. Our Class A common stock closing price increased from \$70.07 on April 29, 2011 (the last trading day of our fiscal year), to \$84.59 on April 30, 2012, and our Class B common stock closing price increased from \$71.86 on April 29, 2011, to \$86.35 on April 30, 2012.

Compensation-Related Risk. During fiscal 2012, we conducted a comprehensive assessment and evaluation of potential compensation-related risk. Based upon the results, the Company and the Committee concluded that our compensation policies and practices are unlikely to present material risk to the Company. For additional detail on our fiscal 2012 compensation risk assessment, please see page 42.

Impact of 2011 Advisory Votes on Executive Compensation. In 2011, our shareholders voiced overwhelming support for the compensation of our NEOs, with more than 93% of the votes cast approving the say-on-pay advisory vote on executive compensation. As a result, the Committee did not believe that any significant changes to the compensation program were needed to address concerns arising from this advisory vote. The Committee considered the results of this vote as one factor in its compensation decisions during fiscal 2012.

Shareholders also recommended that future advisory votes on our executive compensation program be conducted every three years. The Committee has determined to conduct future advisory votes on executive compensation every three years, but reserves the right to conduct votes more frequently in order to seek additional feedback from shareholders. We are not asking shareholders to vote on executive compensation this year.

We believe our executive compensation program effectively supports the Company's operational goals, strategic priorities and objective to deliver superior, sustainable, long-term value to our stockholders.

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COMPENSATION DISCUSSION AND ANALYSIS.

Compensation