

**PROTECTIVE LIFE CORPORATION**  
**AUDIT COMMITTEE CHARTER**  
(Revised March 6, 2006)

- I. Purpose.** The Audit Committee ("Committee") of the Board of Directors of Protective Life Corporation ("Company") is responsible for overseeing the Company's financial reporting and control processes on behalf of the Board of Directors, which includes assisting Board oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the Independent Outside Auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and the Independent Outside Auditor.

The Committee will prepare the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

- II. Duties and Responsibilities.** The Committee will pursue and carry out its assigned tasks by performing the specific duties and responsibilities outlined below.

- A. Controls.** The Committee will discuss with management and the Company's internal and Independent Outside Auditor the Company's controls relating to:

- Safeguarding assets
- Disbursement of funds
- Preparation of financial statements
- Possible fraudulent or illegal matters
- Electronic data processing security
- Standards of business conduct
- Political contributions
- Conflict of interest
- Litigation and contingent liabilities

- B. Internal Audit.** With regard to the Company's internal audit functions, the Committee will:

1. Oversee the internal audit function. In so doing, the Committee will meet privately at least once each year with the Independent Outside Auditor to discuss the sufficiency of the internal audit staffing and program. At the discretion of the Committee, the internal audit function may be performed by an outside auditor other than the Independent Outside Auditor under the supervision of management (which may include an internal audit steering committee).
2. Review the proposed scope of the internal audit for each year or other period of time deemed appropriate by the Committee.
3. Review the results of the internal audit in each year or other period of time deemed appropriate by the Committee.
4. Review, outside the presence of management, management's cooperation with the internal audit staff in conducting its audits.
5. Review coordination of the internal audit function with the work of the Independent Outside Auditor.

6. Review all uncorrected deficiencies in the Company's internal procedures and controls reported to the Committee in writing by the internal auditor.
7. Maintain procedures whereby the internal auditor may consult directly with the Committee as the internal auditor deems necessary.

C. **Independent Public Accounting Function.** With regard to the Company's independent auditing function performed by registered public accounting firms (also referred to as "Independent Outside Auditor"), the Committee will:

1. Directly appoint, retain, compensate, evaluate, and, if appropriate, terminate the Independent Outside Auditor. The Committee may, in its discretion, seek Share Owner ratification of its appointment of the Independent Outside Auditor.
2. Serve as the corporate body to which the Independent Outside Auditor directly reports and be directly responsible for the oversight of the Independent Outside Auditor.
3. Assess the independence of the Independent Outside Auditor including, but not limited to, the following actions:
  - Obtain from the Independent Outside Auditor a formal written statement setting forth all relationships between the Independent Outside Auditor and the Company, consistent with Independence Standards Board Standard (ISB) No. 1, "Independence Discussions with Audit Committees";
  - Review and discuss all non-audit functions performed by the Independent Outside Auditor, the fees earned thereon, and the potential effect of such on the independence of the Independent Outside Auditor; and
  - Review and discuss with the Independent Outside Auditor any disclosed relationships or services that may impact the objectivity and independence of the Independent Outside Auditor.
4. Take appropriate action with respect to the independence of the Independent Outside Auditor. Report conclusions with respect to the independence of the Independent Outside Auditor to the Board.
5. Have sole authority to approve all audit engagement fees and terms, as well as pre-approval of all non-audit services with the Independent Outside Auditor.
6. Before the annual audit, review its scope.
7. Review and discuss with management and the Independent Outside Auditor the annual audited financial statements, quarterly financial statements, any footnotes thereto, potential disclosure items (including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"), summary of uncorrected misstatements, and the Independent Outside Auditor's written opinion.

- 8.** Discuss with the Independent Outside Auditor the Independent Outside Auditor's judgments concerning the quality, not just the acceptability, of accounting principles applied by the Company in its financial reporting, including the Independent Outside Auditor's judgments concerning:

  - Clarity of the Company's financial disclosures,
  - Degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates, and
  - Other significant decisions made by management in preparing the financial disclosures reviewed by the Independent Outside Auditor.
- 9.** Review with the Independent Outside Auditor any material change in basic accounting principles or reporting standards which, if used in preparation of the Company's financial statements, would result in qualification of the opinion regarding consistency of the application of accounting principles.
- 10.** Review with management and the Independent Outside Auditor Management's Report on Internal Control and the effectiveness of the Company's internal control over financial reporting. Discuss with the Independent Outside Auditor the Independent Outside Auditor's evaluation of management's assessment of the internal control environment.
- 11.** Review, outside the presence of management and the internal auditor, the adequacy of cooperation by management and the internal auditor with the Independent Outside Auditor in:

  - Conducting the annual audit,
  - Any material disagreements between such accountants and management, and
  - Any audit problems or difficulties and management's response.
- 12.** Review, outside the presence of the Independent Outside Auditor, the competence and performance of the Independent Outside Auditor and its audit team assigned to the Company including lead partner performance and rotation. This review will be conducted at least annually. In carrying out this responsibility, the Committee will obtain and review a report by the Independent Outside Auditor describing the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

**D. Other.** The Committee will:

1. Discuss the Company's earnings press releases and financial information and earnings guidance periodically provided to analysts and rating agencies (which may consist of a discussion of the types of information to be provided and types of presentations to be made) to the extent required by applicable law or listing standards.
2. As appropriate, obtain advice and assistance from outside legal, accounting, or other advisors. The Committee is empowered to retain these advisors at Company expense without seeking Board approval.
3. Discuss the Company's policies with respect to risk assessment and risk management.
4. Meet separately, periodically, with management, with the internal auditor (or other personnel responsible for the internal audit function), and with the Independent Outside Auditor.
5. Set clear hiring policies for the Company's hiring of employees or former employees of the Independent Outside Auditor.
6. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.
7. Review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Outside Auditor, or the performance of the internal audit function, and make appropriate recommendations to the Board with respect thereto.
8. Annually review the Committee's own performance and report conclusions to the Corporate Governance and Nominating Committee.
9. Annually review the Audit Committee Charter (the "Charter") and assess its adequacy.
10. Cause the proxy statement to contain a statement that the Committee is governed by a formal written charter and a statement which expresses the conclusion of the Committee concerning whether or not the Committee has satisfied its responsibilities under the Charter for the prior year.
11. Make recommendations to the Board concerning matters relating to the Committee, including any required determinations of the Board relating to the financial expertise of members of the Committee.
12. No less frequently than every three years, cause the Charter to be disclosed in either the annual report of the Company or its proxy statement; provided however, that

upon any significant amendment of the Charter, the Committee will cause the Charter so amended to be disclosed in either the next following annual statement or the next following proxy statement.

- III. Membership.** The Committee will be composed of not less than three (3) directors. Each member of the Committee must be independent. Members of the Committee will be considered independent if they meet the requirements of applicable law and listing standards.

No member may receive from the Company any compensation other than director's fees which meet the requirements of applicable law and listing standards.

Each member of the Committee must be financially literate, as the Board interprets such qualification in its business judgment. "Financial literacy" means the ability to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement. At least one Committee member must possess accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

Each member may serve on no more than three audit committees of public companies.

The Committee and its Chairman will be appointed annually by the Board.

- IV. Subcommittees.** The Committee will have the authority to create one or more subcommittees, consisting of one or more members of the Committee, and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittee (subject to applicable laws and listing standards). Any such subcommittee will keep the Committee advised of its activities.

- V. Meetings.** In carrying out its duties and responsibilities, the Committee will meet at such times and with such persons, including representatives of the Independent Outside Auditor, the internal auditor and financial officers of the Company, as the Committee deems appropriate.

Without limiting the Committee's discretion to meet more or less frequently or at different times on such matters as circumstances warrant, it is anticipated that generally the Committee should meet in accordance with the attached prospective meeting schedule, as may be amended by the Committee from time to time, which schedule is not deemed to be a part of the Charter.

The Committee will report its findings on the foregoing items and all actions taken or recommended by the Committee at the Board meeting next following each Committee meeting.

Meetings of the Committee may be called by the Chief Executive Officer, the Chairman of the Committee, or any two (2) members of the Committee. A majority of the members of the Committee will constitute a quorum for the transaction of any business by the Committee. The act of a majority of the directors serving at any meeting of the Committee at which a quorum is present will be the act of the Committee. Any action of the Committee may be taken by written consent signed by all members of the Committee.

In addition, the Chairman and members of the Committee may meet informally or by telephone or may confer with management, internal audit staff, representatives of the Independent Outside Auditor or other counsel or advisors as the Committee or its chairman deems appropriate, including, without limitation, meetings and conferences about interim financial reporting.

**PROTECTIVE LIFE CORPORATION**  
**AUDIT COMMITTEE**  
**PROSPECTIVE MEETING SCHEDULE**  
(Revised March 6, 2006)

Duty / Requirement	Scheduled
<b>JANUARY</b>	
Discuss with management, the internal auditor and the Independent Outside Auditor, the Company's controls relating to: <ul style="list-style-type: none"> <li>• Safeguarding assets,</li> <li>• Disbursement of funds,</li> <li>• Preparation of financial statements,</li> <li>• Possible illegal matters, and</li> <li>• Electronic data processing security.</li> </ul> <b>(II.A. partial)</b>	January
Discuss policies with respect to: <ul style="list-style-type: none"> <li>• Risk assessment, and</li> <li>• Risk management.</li> </ul> <b>(II.D.3.)</b>	January
Review the proposed scope of the internal audit for each year or other period of time deemed appropriate by the Committee. <b>(II.B.2.)</b>	January
Review the Committee's own performance and report conclusion to the Corporate Governance and Nominating Committee. <b>(II.D.8.)</b>	January
Review the Committee's Charter and assess its adequacy. <b>(II.D.9.)</b>	January
<b>MARCH</b>	
Review and discuss with management and the Independent Outside Auditor: <ul style="list-style-type: none"> <li>• Annual audited financial statements,</li> <li>• Footnotes to financial statements,</li> <li>• Potential disclosure items (including review the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"),</li> <li>• Summary of uncorrected misstatements, and</li> <li>• Independent Outside Auditor's written opinion.</li> </ul> <b>(II.C.7.)</b>	March
Discuss with the Independent Outside Auditor its judgments concerning quality (not just the acceptability) of accounting principles applied by the Company in its financial reporting, including the Independent Outside Auditor's judgments concerning: <ul style="list-style-type: none"> <li>• Clarity of the Company's financial disclosures,</li> <li>• Degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates, and</li> <li>• Other significant decisions made by management in preparing the financial disclosures reviewed by the Independent Outside Auditor.</li> </ul> <b>(II.C.8.)</b>	March

<b>Duty / Requirement</b>	<b>Scheduled</b>
<p>Review with the Independent Outside Auditor any material change in basic accounting principles or reporting standards which, if used in preparation of the Company's financial statements, would result in qualification of the opinion regarding consistency of the application of accounting principles.</p> <p><b>(II.C.9.)</b></p>	March
<p>Review and discuss:</p> <ul style="list-style-type: none"> <li>• All audit fees paid or proposed to be paid to the Independent Outside Auditor, and</li> <li>• All proposed engagements of the Independent Outside Auditor for non-audit services.</li> </ul> <p><b>(II.C.5)</b></p>	March
<p>Review, outside the presence of the Independent Outside Auditor, the competence and performance of the Independent Outside Auditor and its audit team assigned to the Company, including lead partner performance and rotation.</p> <p>In carrying out this responsibility, obtain and review a report by the Independent Outside Auditor describing:</p> <ul style="list-style-type: none"> <li>• Firm's internal quality-control procedures,</li> <li>• Any material issues raised by: <ul style="list-style-type: none"> <li>- most recent internal quality-control review of the firm, or</li> <li>- peer review of the firm, or</li> </ul> </li> <li>• Any material issues raised by <ul style="list-style-type: none"> <li>- any inquiry or investigation by governmental or professional authorities within the preceding five years</li> <li>- respecting one or more independent audits carried out by the firm, and</li> </ul> </li> <li>• Any steps taken to deal with any such issues.</li> </ul> <p><b>(II.C.12.)</b></p>	March
<p>Review, outside the presence of management and the internal auditor, the adequacy of cooperation by management and the internal auditor with the Independent Outside Auditor in:</p> <ul style="list-style-type: none"> <li>• Conducting the annual audit,</li> <li>• Any material disagreements between such accountants and management, and</li> <li>• Any audit problems or difficulties and management's response.</li> </ul> <p><b>(II.C.11)</b></p>	March
<p>Reiterate that the Independent Outside Auditor reports directly to the Committee, and that the Committee is solely responsible for the appointment, retention, compensation, and, if appropriate, termination of the Independent Outside Auditor.</p> <p><b>(II.C.1. and II.C.2.)</b></p>	March
<p>Evaluate and decide upon the appointment of the Independent Outside Auditor and, at the Committee's discretion, seek share owner ratification of appointment.</p> <p><b>(II.C.1.)</b></p>	March

<b>Duty / Requirement</b>	<b>Scheduled</b>
Cause the proxy statement to contain: <ul style="list-style-type: none"> <li>• Statement that the Committee is governed by a formal written charter, and</li> <li>• Statement which expresses the Committee's conclusion concerning whether or not the Committee has satisfied its responsibilities under the Charter for the prior year.</li> </ul> Prepare the report required by the SEC rules to be included in the annual proxy statement. <b>(II.D.10.)</b>	March
Make recommendations to the Board concerning matters relating to the Committee, including any required determinations by the Board relating to the financial expertise of the Committee's members. <b>(II.D.11.)</b>	March
Discuss financial information and earnings guidance periodically provided to analysts and rating agencies (which may consist of a discussion of the types of information to be provided and types of presentation to be made) to the extent required by applicable law or listing standards. <b>(II.D.1.)</b>	March
<b>MAY</b>	
Review and discuss with management and the Independent Outside Auditor: <ul style="list-style-type: none"> <li>• Quarterly financial statements, and</li> <li>• Footnotes to financial statements.</li> </ul> <b>(II.C.7.)</b>	May
<b>JULY</b>	
Review procedures established for the receipt, retention and treatment of complaints received by the Company regarding: <ul style="list-style-type: none"> <li>• Accounting,</li> <li>• Internal accounting controls, or</li> <li>• Auditing matters.</li> </ul> <b>(II.D.6.)</b>	July
Review procedures established for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. <b>(II.D.6.)</b>	July
Discuss with management, the internal auditor and the Independent Outside Auditor, the Company's compliance program, including controls relating to: <ul style="list-style-type: none"> <li>• Standards of business conduct process, and</li> <li>• Conflict of interest.</li> </ul> <b>(II.A. partial)</b>	July
Review the results of the internal audit for each year or other period of time the Committee deems appropriate. <b>(II.B.3.)</b>	July
Review all uncorrected deficiencies in the Company's internal procedures and controls reported to the Committee in writing by the internal auditor. <b>(II.B.6.)</b>	July
Review privately with the Independent Outside Auditor the sufficiency of the internal audit staffing and program. <b>(II.B.1.)</b>	July



Duty / Requirement	Scheduled
Review privately with the internal auditor management's cooperation with the internal audit staff in conducting its audits. <b>(II.B.4.)</b>	July
Review with management and the Independent Outside Auditor Management's Report on Internal Control and the effectiveness of the Company's internal control over financial reporting.  Discuss with the Independent Outside Auditor the Independent Outside Auditor's evaluation of management's assessment of the internal control environment. <b>(II.C.10.)</b>	July
Review coordination of the internal audit function with the work of the Independent Outside Auditor. <b>(II.B.5.)</b>	July
Before the annual audit, review its scope. <b>(II.C.6.)</b>	July
<b>AUGUST</b>	
Review and discuss with management and the Independent Outside Auditor: <ul style="list-style-type: none"> <li>• Quarterly financial statements, and</li> <li>• Footnotes to financial statements.</li> </ul> <b>(II.C.7.)</b>	August
<b>OCTOBER</b>	
Review results of employee certification of Code of Business Conduct. <b>(II.A. partial)</b>	October
Review established hiring policies, meeting the requirements of applicable law and listing standards, for employees or former employees of the Independent Outside Auditor. <b>(II.D.5.)</b>	October
Discuss with management, the internal auditor and the Independent Outside Auditor, the Company's compliance program, including controls relating to: <ul style="list-style-type: none"> <li>• Compliance and ethics program</li> <li>• Advertising and customer complaints,</li> <li>• Anti-fraud program,</li> <li>• Compliance with laws, and</li> <li>• Litigation and contingent liabilities.</li> </ul> <b>(II.A. partial)</b>	October

<b>Duty / Requirement</b>	<b>Scheduled</b>
<p>Assess the independence of the Independent Outside Auditor including, but not limited to, the following actions:</p> <ul style="list-style-type: none"> <li>• Obtain from the Independent Outside Auditor a formal written statement setting forth all relationships between the Independent Outside Auditor and the Company, consistent with Independence Standards Board Standard (ISB) No. 1, "Independence Discussions with Audit Committees," such statement to be included as a part of the annual report (more specifically delineated in the Committee's Charter paragraph II.C.12.);</li> <li>• Review and discuss: <ul style="list-style-type: none"> <li>- all non-audit functions performed by the Independent Outside Auditor,</li> <li>- fees earned thereon, and</li> <li>- potential effect of such on the independence of the Independent Outside Auditor; and</li> </ul> </li> <li>• Review and discuss with the Independent Outside Auditor any disclosed relationships or services that may impact the objectivity and independence of the Independent Outside Auditor.</li> </ul> <p><b>(II.C.3.)</b></p>	October
<p>Take appropriate action with respect to the independence of the Independent Outside Auditor.</p> <p>Report conclusions to the Board.</p> <p><b>(II.C.4.)</b></p>	October
<b>NOVEMBER</b>	
<p>Review and discuss with management and the Independent Outside Auditor:</p> <ul style="list-style-type: none"> <li>• Quarterly financial statements, and</li> <li>• Footnotes to financial statements.</li> </ul> <p><b>(II.C.7.)</b></p>	November
<b>AS NEEDED</b>	
<p><b>Via Informal Meeting</b> (if an earnings release – generally occurring during the 1<sup>st</sup> half of February, May, August and November – doesn't coincide with a Committee meeting) – Review and discuss, 1 or 2 days prior to the earnings release, the expected earnings release.</p> <p><b>(II.D.1.)</b></p>	As Needed
<p>In any meeting, as information is available to report by management, discuss with management, the internal auditor and the Independent Outside Auditor, the Company's activities relating to political contributions.</p> <p><b>(II.A. partial)</b></p>	As Needed
<p>To be documented by memorandum from Chairman of the Committee: maintain procedures whereby the internal auditor may consult directly with the Committee as the internal auditor deems necessary.</p> <p><b>(II.B.7)</b></p>	As Needed
<p>In any meeting where issues dictate: as appropriate, obtain advice and assistance from outside legal, accounting, or other advisors. The Committee is empowered to retain these advisors at the Company's expense without seeking Board approval.</p> <p><b>(II.D.2)</b></p>	As Needed

<b>Duty / Requirement</b>	<b>Scheduled</b>
In any meeting where issues dictate: review with the full Board and make appropriate recommendations with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Outside Auditor, or the performance of the internal audit function. <b>(II.D.7.)</b>	As Needed
Periodic meetings: meet separately with management. <b>(II.D.4.)</b>	As Needed
Periodic meetings: meet separately with the internal auditor (and/or other personnel responsible for the internal audit function). <b>(II.D.4.)</b>	As Needed
Periodic meetings: meet separately with the Independent Outside Auditor. <b>(II.D.4.)</b>	As Needed
No less frequently than every three years: cause the Charter to be disclosed in either the annual report of the Company or its proxy statement; provided however, that upon any significant amendment of the Charter, the Committee will cause the Charter so amended to be disclosed in either the next following annual statement or the next following proxy statement. <b>(II.D.12.)</b>	As Needed

**Board's Assessment of  
Audit Committee Membership Requirements**

<b>Requirement</b>	<b>Scheduled Assessment</b>
Determine whether at least one member is an "audit committee financial expert." (Having an audit committee financial expert is not a requirement.)	March
Not less than 3 directors	May
All members are independent	May
Each Committee member is financially literate	May
At least one Committee member must possess accounting or related financial management expertise	May
The Committee and its Chairman will be appointed annually by the Board	May
Each Committee member serves on no more than 3 audit committees of public companies	May