

GENUINE PARTS CO
Form DEF 14A
February 27, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

Genuine Parts Company

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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3) Filing Party:

4) Date Filed:

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GENUINE PARTS COMPANY

2999 Circle 75 Parkway

Atlanta, Georgia 30339

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

April 28, 2014

TO THE SHAREHOLDERS OF GENUINE PARTS COMPANY:

The 2014 Annual Meeting of Shareholders of Genuine Parts Company, a Georgia corporation, will be held at the Company's headquarters, 2999 Circle 75 Parkway, Atlanta, Georgia, on Monday, the 28th day of April 2014, at 10:00 a.m., for the following purposes:

- (1) To elect as directors the thirteen nominees named in the attached proxy statement;
- (2) To approve, by a non-binding advisory vote, the compensation of the Company's executive officers;
- (3) To ratify the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2014; and
- (4) To act upon such other matters as may properly come before the meeting or any reconvened meeting following any adjournment thereof.

Information relevant to these matters is set forth in the attached proxy statement. Only holders of record of Common Stock at the close of business on February 18, 2014 will be entitled to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 28, 2014.

The Proxy Statement and the 2013 Annual Report to Shareholders are available at

<http://www.proxydocs.com/gpc>

By Order of the Board of Directors,

CAROL B. YANCEY
Executive Vice President, Chief Financial Officer and
Corporate Secretary

Atlanta, Georgia

February 27, 2014

YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING IN PERSON, PLEASE VOTE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY IN THE ENCLOSED BUSINESS REPLY ENVELOPE, OR YOU CAN VOTE BY TELEPHONE OR INTERNET PURSUANT TO THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD. IF YOU DO ATTEND THE MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

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GENUINE PARTS COMPANY

2999 Circle 75 Parkway

Atlanta, Georgia 30339

PROXY STATEMENT

ANNUAL MEETING APRIL 28, 2014

This proxy statement is being furnished to the shareholders of Genuine Parts Company in connection with the solicitation of proxies by the Board of Directors of the Company for use at the Company's 2014 Annual Meeting of Shareholders to be held on Monday, April 28, 2014, at 10:00 a.m. local time and at any reconvened meeting following any adjournment thereof. The Annual Meeting will be held at the Company's headquarters, 2999 Circle 75 Parkway, Atlanta, Georgia.

This proxy statement and the accompanying proxy card are first being mailed to shareholders and made available on our website on or about February 27, 2014. The Company's 2013 annual report to the shareholders, including consolidated financial statements for the year ended December 31, 2013, is enclosed.

VOTING

Shareholders of record can simplify their voting and reduce the Company's costs by voting their shares via telephone or the Internet. Instructions for voting via telephone or the Internet are set forth on the enclosed proxy card. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures enable shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. If your shares are held in the name of a bank or broker (in street name), the availability of telephone and Internet voting will depend on the voting processes of the applicable bank or broker; therefore, it is recommended that you follow the voting instructions on the form you receive from your bank or broker. If you do not choose to vote by telephone or the Internet, please mark your choices on the enclosed proxy card and then date, sign and return the proxy card at your earliest opportunity.

All proxies properly voted by telephone or the Internet and all properly executed written proxy cards that are delivered to the Company (and not later revoked) will be voted in accordance with instructions given in the proxy. When voting on the election of directors, you may (1) vote FOR all nominees listed in this proxy statement, (2) WITHHOLD AUTHORITY to vote for all nominees, or (3) WITHHOLD AUTHORITY to vote for one or more nominees but vote FOR the other nominees. When voting on the approval of the Company's executive compensation program and the ratification of the selection of independent auditors, you may vote FOR or AGAINST the proposal or you may ABSTAIN from voting.

If a signed proxy card is received which does not specify a vote or an abstention, the shares represented by that proxy card will be voted FOR all nominees to the Board of Directors listed in this proxy statement, FOR the proposal to approve the Company's executive compensation program, and FOR the ratification of the selection of independent auditors for the fiscal year ending December 31, 2014. The Company is not aware, as of the date hereof, of any matters to be voted upon at the Annual Meeting other than those stated in this proxy statement and the accompanying Notice of 2014 Annual Meeting of Shareholders. If any other matters are properly brought before the Annual Meeting, the enclosed proxy card gives discretionary authority to the persons named as proxies to vote the shares represented thereby in their discretion.

If you hold your shares in street name and you do not instruct your bank or brokerage firm in accordance with their directions how to vote your shares prior to the date of the Annual Meeting, your bank or brokerage firm cannot vote your shares (referred to as broker non-votes) on the following proposals: Proposal 1 Election of Directors, or Proposal 2 Advisory Vote on Executive Compensation, and such shares will be considered broker non-votes and will not affect the outcome of these votes. However, your bank or brokerage firm may vote your shares in its discretion on Proposal 3 Ratification of Selection of Independent Auditors.

A shareholder of record who submits a proxy pursuant to this solicitation may revoke it at any time prior to its exercise at the Annual Meeting. Such revocation may be by delivery of written notice to the Corporate

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Secretary of the Company at the Company's address shown above, by delivery of a proxy bearing a later date (including a later vote by telephone or the Internet), or by voting in person at the Annual Meeting. Street name holders may revoke their proxies prior to the Annual Meeting by following the procedures specified by their bank or brokerage firm.

Only holders of record of the Company's Common Stock at the close of business on the record date for the Annual Meeting, which is February 18, 2014, are entitled to vote at the Annual Meeting. Persons who hold shares of Common Stock in street name as of the record date may vote at the Annual Meeting only if they hold a valid proxy from their bank or brokerage firm. At the close of business on February 18, 2014, the Company had outstanding and entitled to vote at the Annual Meeting 153,727,213 shares of Common Stock.

On each proposal presented for a vote at the Annual Meeting, each shareholder is entitled to one vote per share of Common Stock held as of the record date. A quorum for the purposes of all matters to be voted on shall consist of shareholders representing, in person or by proxy, a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting. Shares represented at the Annual Meeting that are abstained or withheld from voting and broker non-votes will be considered present for purposes of determining a quorum at the Annual Meeting. If less than a majority of the outstanding shares of Common Stock are represented at the Annual Meeting, a majority of the shares so represented may adjourn the Annual Meeting to another date, time or place.

The vote required for (1) the election of directors, (2) the advisory vote on executive compensation, and (3) the ratification of the selection of independent auditors is the affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote on such proposal which are represented at the Annual Meeting. Because votes withheld and abstentions will be considered as present and entitled to vote at the Annual Meeting but will not be voted for these proposals, they will have the same effect as votes against these proposals.

Although the advisory vote on executive compensation is non-binding as provided by law, the Company's Board of Directors will review the results of the vote and take it into account in making future determinations concerning executive compensation.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors of the Company currently consists of twelve directorships. The Compensation, Nominating and Governance Committee has recommended all twelve of the current Board members for re-election, and has recommended an additional nominee, Mr. Gary P. Fayard, increasing the number of directors to thirteen as of the date of the Annual Meeting. The Board of Directors has approved the recommendation of its Compensation, Nominating and Governance Committee to increase the number of directorships to thirteen as of the date of the 2014 Annual Meeting and has nominated the thirteen nominees named below to serve as directors until the 2015 Annual Meeting and the election and qualification of their successors.

In the event that any nominee is unable to serve (which is not anticipated), the Board of Directors may:

designate a substitute nominee, in which case the persons designated as proxies will cast votes for the election of such substitute nominee;

allow the vacancy to remain open until a suitable candidate is located and nominated; or

adopt a resolution to decrease the authorized number of directorships.

If any incumbent director nominee in an uncontested election should fail to receive the required affirmative vote of the holders of a majority of the shares entitled to vote which are represented at the Annual Meeting, under Georgia law, the director remains in office as a holdover director until his or her successor is elected and qualified or until his or her earlier resignation, retirement, disqualification, removal from office or death. In the event of a holdover director, the Board of Directors in its discretion may request the director to resign from the Board. If the director resigns, the Board of Directors may:

immediately fill the resulting vacancy;

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allow the vacancy to remain open until a suitable candidate is located and appointed; or

adopt a resolution to decrease the authorized number of directorships.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF ALL OF THE NOMINEES.

Set forth below is certain information about each of the thirteen nominees for director. For additional information about the nominees, including the experience, qualifications, attributes and skills that our Board believes makes them well qualified to serve as directors, as well as information about our director independence requirements, our director nominating process, our board leadership structure and other corporate governance matters, see Corporate Governance below.

NOMINEES FOR DIRECTOR

Name, Principal Occupation, Certain Other Current and Past Directorships and Age	Director Since
Dr. Mary B. Bullock was named Executive Vice Chancellor of Duke Kunshan University, a collaboration between Duke University, Wuhan University and the city of Kunshan in China, in September 2012. Dr. Bullock is President Emerita of Agnes Scott College in Atlanta, Georgia, where she served as President from 1995 until her retirement in August of 2006. Between 2007 and 2012, Dr. Bullock was a visiting part-time professor at Emory University. Dr. Bullock is 69.	2002
Paul D. Donahue was named President of the Company in January of 2012, and has served as President of the Company's U.S. Automotive Parts Group since July 6, 2009. Mr. Donahue served as Executive Vice President of the Company from August 2007 until his appointment as President. In addition, between 2004 and June 2007, Mr. Donahue served as President and Chief Operating Officer of S. P. Richards Company, a wholly-owned subsidiary of the Company. Mr. Donahue is 57.	2012
Jean Douville is the Chairman of the Board of Directors of the Company's wholly-owned subsidiary, UAP Inc., having been a director since 1981 and Chairman since 1993. He served as President of UAP Inc. from 1981 through 2000 and as Chief Executive Officer from 1982 through 2000. UAP Inc. is a distributor of automotive replacement parts headquartered in Montreal, Quebec, Canada. Mr. Douville is Chairman of the Board of Banque Nationale du Canada and a director of Richelieu Hardware Ltd. Mr. Douville is 70.	1992
Gary P. Fayard is Executive Vice President and Chief Financial Officer of the Coca-Cola Company. Mr. Fayard joined the Coca Cola Company in 1994 as Vice President and Controller. He was promoted to the role of Senior Vice President and Chief Financial Officer in 1999 and to his current position in 2003. He has served as Director on numerous for-profit and not-for-profit boards, including service on the Coca-Cola Enterprises, Inc. board from 2001 until 2009, and currently serves on the board of directors of Coca-Cola FEMSA. Mr. Fayard is 61.	N/A
Thomas C. Gallagher has been Chief Executive Officer of the Company since August 2004 and Chairman of the Board since February 2005. Mr. Gallagher served as President of the Company from 1990 until January 2012 and Chief Operating Officer of the Company from 1990 until August 2004. Mr. Gallagher was elected to the board of Oxford Industries, Inc. on June 20, 2013. Mr. Gallagher is 66.	1990
George C. Jack Guynn retired in October 2006 as President and CEO of the Federal Reserve Bank of Atlanta, where he worked his entire career. Mr. Guynn is a director of Oxford Industries, Inc. and Acuity Brands. Mr. Guynn is also a trustee of Ridgeworth Investments. Mr. Guynn is 71.	2006
John R. Holder is Chairman and Chief Executive Officer of Holder Properties, a commercial and residential real estate development, leasing, and management company based in Atlanta. Mr. Holder has held the position of Chairman since 1989 and Chief Executive Officer since 1980. He is also a director of Oxford Industries, Inc. Mr. Holder is 59.	2011

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Name, Principal Occupation, Certain Other Current and Past Directorships and Age	Director Since
John D. Johns is Chairman, President and Chief Executive Officer of Protective Life Corporation in Birmingham, Alabama. Mr. Johns has served as President and Chief Executive Officer of Protective Life Corporation since January 2002 and became Chairman in January 2003. He served as President and Chief Operating Officer of Protective Life from August 1996 through December 2001, and from October 1993 through August 1996 he served as Executive Vice President and Chief Financial Officer. Mr. Johns also serves as a director of Regions Financial Corporation. He is also a director of Alabama Power Company, a wholly owned subsidiary of The Southern Company, whose common shares are not publicly traded. Mr. Johns is 62.	2002
Michael M.E. Johns, M.D. is a Professor at the Schools of Medicine and Public Health at Emory University. Dr. Johns served as Chancellor of Emory University from 2007 to 2012. From June 1996 to October 2007, Dr. Johns served as Executive Vice President for Health Affairs, Emory University; Chief Executive Officer of the Robert W. Woodruff Health Sciences Center; and Chairman of Emory Healthcare, Emory University. From 1990 to June 1996, Dr. Johns served as Dean of the School of Medicine, Johns Hopkins University. Dr. Johns is also a director of Johnson & Johnson and AMN Healthcare. Dr. Johns is 72.	2000
Robert C. Robin Loudermilk, Jr. is currently President and Chief Executive Officer of The Loudermilk Companies, LLC, a real estate management company, a position he has held since January 1, 2012. Previously he served as President of Aaron's Inc., a furniture, electronics and home appliance retailer from 1997 through November 2011 and as Chief Executive Officer of Aaron's Inc. from 2008 through November 2011. He also served in various other positions at Aaron's Inc., beginning as an Assistant Store Manager in 1985 and including service as the Chief Operating Officer from 1997 until 2008. Mr. Loudermilk also previously served as a director of Aaron's Inc. Mr. Loudermilk is 54.	2010
Wendy B. Needham was Managing Director, Global Automotive Research for Credit Suisse First Boston, an investment banking firm, from August 2000 to June 2003, and a Principal, Automotive Research, for Donaldson, Lufkin and Jenrette from 1994 to 2000. Ms. Needham previously served as a director of Asahi Tec. Ms. Needham is 61.	2003
Jerry W. Nix served as the Vice Chairman of the Board of Directors from November 2005 until his retirement as CFO in March, 2013. He served as Chief Financial Officer of the Company from 2000 to 2013. Previously, Mr. Nix held the position of Executive Vice-President-Finance from February 2000 until November 2005 and Senior Vice President-Finance from 1990 through 1999. Mr. Nix currently serves as a director on the board of Synovus Financial Corp. Mr. Nix is 68.	2005
Gary W. Rollins is currently Vice Chairman and Chief Executive Officer of Rollins, Inc., a national provider of consumer services headquartered in Atlanta, Georgia. He has served as CEO since 2001 and was named Vice Chairman in 2013. Previously, he served as its President and Chief Operating Officer from 1984 through 2012. Mr. Rollins is a director of Rollins, Inc. and two related public companies: RPC, Inc. and Marine Products Corporation. Each of Rollins, Inc., RPC, Inc. and Marine Products Corporation is a controlled company (as defined by the NYSE rules) and is under the common control of a group that includes Mr. Rollins, his brother and certain companies controlled by Mr. Rollins and his brother. Mr. Rollins is 69.	2005

CORPORATE GOVERNANCE**Independent Directors**

The Company's Common Stock is listed on the New York Stock Exchange. The NYSE requires that a majority of the directors, and all of the members of certain committees of the board of directors be independent directors, as defined in the NYSE corporate governance standards. Generally, a director does not qualify as an independent director if the director (or in some cases, members of the director's immediate family) has, or in the past three years has had, certain material relationships or affiliations with the Company, its external or internal

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auditors, or other companies that do business with the Company. The Board has affirmatively determined that nine of the Company's thirteen current and proposed directors have no other direct or indirect relationships with the Company and therefore are independent directors according to the NYSE corporate governance standards and an analysis of all facts specific to each director. The independent directors and nominees are: Mary B. Bullock, Gary P. Fayard, George C. Jack Guynn, John R. Holder, John D. Johns, Michael M. E. Johns, M.D., Robert C. Robin Loudermilk, Wendy B. Needham and Gary W. Rollins.

Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines that give effect to the NYSE's requirements related to corporate governance and various other corporate governance matters. The Company's Corporate Governance Guidelines, as well as the charters of the Compensation, Nominating and Governance Committee and the Audit Committee, are available on the Company's website at www.genpt.com.

Non-Management Director Meetings and Presiding Independent Director

Pursuant to the Company's Corporate Governance Guidelines, the Company's non-management directors meet separately from the other directors in regularly scheduled executive sessions at least annually and at such other times as may be scheduled by the Chairman of the Board or by the presiding independent director or as may be requested by any non-management director.

The independent directors serving on the Company's Board of Directors appointed Gary W. Rollins to serve as the Board's presiding independent director effective in April 2013. As the presiding independent director, Mr. Rollins presides at all meetings of non-management and independent directors and serves as a liaison between the Chief Executive Officer and the non-management and independent directors. During 2013, the independent directors held four meetings without management. The former lead independent director, Mr. Hicks Lanier, presided over one of these meetings, and Mr. Rollins presided over the remaining three meetings.

Board Leadership Structure

The Board has appointed the Company's Chief Executive Officer to serve as Chairman of the Board. In his position as CEO, Mr. Gallagher has primary responsibility for the day-to-day operations of the Company and provides consistent leadership on the Company's key strategic objectives. In his role as Chairman of the Board, he sets the strategic priorities for the Board (with input from the presiding independent director), presides over its meetings and communicates its strategic findings and guidance to management. The Board believes that the combination of these two roles provides more consistent communication and coordination throughout the organization, which results in a more effective and efficient implementation of corporate strategy. The Board believes that this leadership structure—a combined Chairman of the Board and Chief Executive Officer—is the most effective structure for the Company at this time and is instrumental in unifying the Company's strategy behind a single vision. In addition, we have found that our CEO is the most knowledgeable member of the Board regarding risks the Company may be facing and, in his role as Chairman, is able to facilitate the Board's oversight of such risks.

As noted earlier, the independent directors have appointed a presiding independent director, which provides balance to the Board's structure. With a supermajority of independent directors, an Audit Committee and a Compensation, Nominating and Governance Committee each comprised entirely of independent directors, and a presiding independent director to oversee all meetings of the non-management directors, the Company's Board of Directors is comfortable that its existing leadership structure provides for an appropriate balance that best serves the Company and its shareholders. The Board of Directors periodically reviews its leadership structure to ensure that it remains the optimal structure for our Company and our shareholders.

Director Nominating Process

Shareholders may recommend a director nominee by writing to the Corporate Secretary specifying the nominee's name and the other required information as set forth in the Company's By-laws. The By-laws require, among other things, that the shareholder making the nomination:

- (1) notify us in writing no later than the close of

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business on the 90th day and no earlier than the close of business on the 120th day prior to the first anniversary of the date of the Company's notice of annual meeting sent to shareholders in connection with the previous year's annual meeting; (2) include certain information about the nominee, including his or her name, occupation and Company share ownership; (3) include certain information about the shareholder proponent and the beneficial owner, if any on whose behalf the nomination is made, including such person or entity's name, address, Company share ownership and certain other information regarding the relationship between the shareholder and beneficial owner, if applicable, and any derivative or hedging positions in Company securities; and (4) update the required information as of the record date and after any subsequent change. The notice must comply with all requirements of the By-laws and, if the nomination is to be included in next year's proxy statement, the requirements of SEC Rule 14a-8 and must be timely received by the Corporate Secretary at Genuine Parts Company, 2999 Circle 75 Parkway, Atlanta, Georgia 30339.

The Company's Board of Directors has established the following process for the identification and selection of candidates for director. The Compensation, Nominating and Governance Committee, in consultation with the Chairman of the Board, annually reviews the appropriate experience, skills and characteristics required of Board members in the context of the current membership of the Board to determine whether the Board would better be enhanced by the addition of one or more directors. This review includes, among other relevant factors in the context of the perceived needs of the Board at that time, issues of experience, reputation, judgment, diversity and skills. With regard to diversity, the Board and the Compensation, Nominating and Governance Committee believe that sound governance of the Company in an increasingly complex international marketplace requires a wide range of viewpoints. As a result, although the Board does not have a formal policy regarding Board diversity, the Board and the Committee believe that the Board should be comprised of a well-balanced group of individuals with diverse backgrounds, educations, experiences and skills that contribute to board diversity, and the Compensation, Nominating and Governance Committee considers such factors when reviewing potential candidates.

If the Compensation, Nominating and Governance Committee determines that adding a new director is advisable, the Committee initiates a search, working with other directors, management and, if it deems appropriate or necessary, a search firm retained to assist in the search. The Compensation, Nominating and Governance Committee considers all appropriate candidates proposed by management, directors and shareholders. Information regarding potential candidates is presented to the Compensation, Nominating and Governance Committee, and the Committee evaluates the candidates based on the needs of the Board at that time. Potential candidates are evaluated according to the same criteria, regardless of whether the candidate was recommended by shareholders, the Compensation, Nominating and Governance Committee, another director, Company management, a search firm or another third party. The Compensation, Nominating and Governance Committee then submits any recommended candidate(s) to the full Board of Directors for approval and recommendation to the shareholders.

The Company's Board of Directors is comprised of individuals with diverse experience at policy-making levels in a variety of businesses, as well as in education and non-profit organizations in areas that are relevant to the Company's activities. Each director was nominated on the basis of the unique experience, qualifications, attributes and skills that he or she brings to the Board, as well as how those factors blend with those of the others on the Board as a whole. On an individual basis:

Dr. Bullock brings to the Board her extensive experience with work force issues and strategic planning gained during her tenure as president of an independent national liberal arts college for women.

Mr. Donahue has eleven years of successful operating and management experience with the Company, which has included extensive involvement with numerous operating divisions within the Company. Prior to joining the Company, Mr. Donahue spent 24 years with a publicly traded consumer products manufacturer, ten of which were in their office products division. While there, he successfully held a number of sales, marketing, operations and executive positions. Mr. Donahue's proven leadership, experience and success have contributed to the success of the Company and are beneficial to our Board.

Mr. Douville brings both management and industry experience as a former CEO and current Chairman of UAP/NAPA Canada, our Canadian subsidiary. In addition, as the chairman of a major Canadian bank, he is able to share his insights into international and other macro-economic trends.

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Mr. Fayard will bring to the Board a wealth of financial, accounting, and auditing knowledge as CFO of one of America's largest corporations. Additionally, Mr. Fayard has served as Director on numerous for-profit and not-for-profit boards, giving him direct exposure to a wide variety of businesses and industries. His financial background and broad business exposure will bring significant contributions to our Board.

Mr. Gallagher has 43 years of operating experience with the Company and brings insight into all aspects of our business due to both his current role and his history with the Company. Mr. Gallagher's leadership, together with the skills and knowledge of the industry and the Company gained in his tenure with the Company, has been instrumental in the growth and success of the Company. Mr. Gallagher also brings extensive experience as a former director of other NYSE-listed companies and as a current director of Oxford Industries, Inc.

Mr. Guynn's prior role as President and CEO of the Federal Reserve Bank of Atlanta provides the Board with information and insight into areas of government relations and regulatory issues. In addition, Mr. Guynn's financial and accounting experience with the Federal Reserve, as well as his experience as a member of the audit committees of other public company boards, is a great asset to the Audit Committee.

Mr. Holder brings to the Board his strategic leadership in the growth of Holder Properties, which has been involved in the development of over 10 million square feet of real estate totaling in excess of \$1.5 billion, as well as his extensive involvement in the areas of financial and marketing management. His service as the Chairman and CEO of Holder Properties, together with various board affiliations which include civic organizations, has given him leadership experience, business acumen and financial literacy that is beneficial to our Board, Audit, and Compensation, Nominating and Governance Committees.

Mr. Johns brings experience in running every aspect of a public company, including his current position as the Chairman, CEO and President of a public company and previous experience as a COO, CFO and General Counsel of NYSE-listed public companies. Mr. Johns also has experience as a director of other public company boards.

Dr. Johns has served in numerous senior leadership positions at some of the nation's most prestigious academic institutions, hospitals and health care organizations. His involvement in strategic planning and management at these diverse organizations adds a unique perspective to the Board. Dr. Johns also brings experience as a director of other public company boards.

Mr. Loudermilk has over 25 years of experience working with a public company in various positions and over 10 years as an experienced senior executive. Mr. Loudermilk's operational, financial and management expertise and expansive knowledge of a similar line of business are a significant contribution to the Board and Audit Committee.

Ms. Needham offers extensive knowledge and understanding of the U.S. and international auto industries as a former managing director of global automotive research at a world-wide financial services company. Throughout her career she has analyzed the financial performance and strategies of public companies in the global auto industry and brings this experience to bear as the Chair of the Company's Audit Committee.

Prior to his retirement in 2013, Mr. Nix served in key financial positions within the Company for over 20 years and as the Company's CFO for 13 years, providing him with extensive knowledge of the Company's business and financial position. While serving as CFO, he managed the Company's legal, human resources, logistics, construction, real estate and technology functions. With this knowledge and experience, Mr. Nix provides the Board with essential information that enables a better understanding of the business and financial risks facing the Company. Mr. Nix also brings experience as a director of another NYSE-listed company.

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Mr. Rollins offers experience as the CEO of a publicly traded NYSE-listed company, as well as specific expertise in the service industry. Mr. Rollins also brings extensive experience as a director of other NYSE-listed companies.

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Communications with the Board

The Company's Corporate Governance Guidelines provide for a process by which shareholders or other interested parties may communicate with the Board, a Board committee, the presiding independent director, the non-management directors as a group, or individual directors. Shareholders or other interested parties who wish to communicate with the Board, a Board committee or any such other individual director or directors may do so by sending written communications addressed to the Board of Directors, a Board committee or such individual director or directors, c/o Corporate Secretary, Genuine Parts Company, 2999 Circle 75 Parkway, Atlanta, Georgia 30339. This information is also available on the Company's website at www.genpt.com. All communications will be compiled by the Secretary of the Company and forwarded to the members of the Board to whom the communication is directed or, if the communication is not directed to any particular member(s) of the Board, the communication shall be forwarded to all members of the Board of Directors.

Annual Performance Evaluations

The Company's Corporate Governance Guidelines provide that the Board of Directors shall conduct an annual evaluation to determine, among other matters, whether the Board and the Committees are functioning effectively. The Audit Committee and the Compensation, Nominating and Governance Committee are also required to each conduct an annual self-evaluation. The Compensation, Nominating and Governance Committee is responsible for overseeing this self-evaluation process. The Board, Audit Committee and Compensation, Nominating and Governance Committee each conducted an annual self-evaluation process during 2013.

Board Oversight of Risk

The Company's Board of Directors recognizes that, although risk management is primarily the responsibility of the Company's management team, the Board plays a critical role in the oversight of risk. The Board believes that an important part of its responsibilities is to assess the major risks the Company faces and review the Company's options for monitoring and controlling these risks. The Board assumes responsibility for the Company's overall risk assessment.

The Board as a whole examines specific business risks in its regular reviews of the individual business units and also on a Company-wide basis as part of its regular strategic reviews. In addition to periodic reports from two committees (discussed below) about risks, the Board receives presentations throughout the year from various business units that include discussion of significant risks specific to their business unit as necessary. Periodically, at Board meetings, management discusses matters of particular importance or concern, including any significant areas of risk requiring Board attention.

The Audit Committee has specific responsibility for oversight of risks associated with financial accounting and audits, as well as internal control over financial reporting. This includes the Company's risk assessment and management policies, the Company's major financial risk exposure and the steps taken by management to monitor and mitigate such exposure.

The Compensation, Nominating and Governance Committee oversees the risks relating to the Company's compensation policies and practices as well as management development and leadership succession in the Company's various business units.

The Compensation, Nominating and Governance Committee annually reviews with management the design and operation of the Company's incentive compensation arrangements for all employees, including executive officers, for the purpose of determining whether such programs might encourage inappropriate risk-taking that could have a material adverse effect on the Company. In advance of such review, the Company identifies internal and external factors that comprise the Company's primary business risks, and management compiles an inventory of incentive compensation arrangements applicable to the Company's key employees, which are then summarized for the Compensation, Nominating and Governance Committee and reviewed for the purpose of identifying any aspects of such programs that might encourage behaviors that could exacerbate the identified business risks.

In conducting this assessment for 2013, the Compensation, Nominating and Governance Committee considered the performance objectives and target levels used in connection with these incentive awards and also

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the features of the Company's compensation program that are designed to mitigate compensation-related risk. Based on such assessment, the Compensation, Nominating and Governance Committee concluded that the Company's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company.

Code of Conduct and Ethics

The Board of Directors has adopted a Code of Conduct and Ethics for Employees, Contract and/or Temporary Workers, Officers and Directors and a Code of Conduct and Ethics for Senior Financial Officers, both of which are available on the Company's website at www.genpt.com. These Codes of Conduct and Ethics comply with NYSE and Securities and Exchange Commission (the "SEC") requirements, including procedures for the confidential, anonymous submission by employees or others of any complaints or concerns about the Company or its accounting, internal accounting controls or auditing matters. The Company will post any amendments to or waivers from the Code of Conduct and Ethics (to the extent applicable to the Company's executive officers and directors) on its website.

Board Attendance

The Company's Corporate Governance Guidelines provide that all directors are expected to attend all meetings of the Board and committees on which they serve and are also expected to attend the Annual Meeting of Shareholders. During 2013, the Board of Directors held four meetings. All of the directors attended all of the Board of Directors meetings and meetings of committees of the Board on which they served. All of the Company's directors were in attendance, in person or by telephone, at the Company's 2013 Annual Meeting.

Board Committees

The Board presently has three standing committees. Information regarding the functions of the Board's committees, their present membership and the number of meetings held by each committee during 2013 is set forth below:

Executive Committee. The Executive Committee is authorized, to the extent permitted by law, to act on behalf of the Board of Directors on all matters that may arise between regular meetings of the Board upon which the Board of Directors would be authorized to act. The current members of the Executive Committee are Thomas C. Gallagher (Chair), Michael M.E. Johns, M.D., Paul Donahue and Gary W. Rollins. During 2013, this committee held five meetings.

Audit Committee. The Audit Committee's main role is to assist the Board of Directors with oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence and (4) the performance of the Company's internal audit function and independent auditors. As part of its duties, the Audit Committee assists in the oversight of (a) management's assessment of, and reporting on, the effectiveness of internal control over financial reporting, (b) the independent auditor's integrated audit, which includes expressing an opinion on the conformity of the Company's audited financial statements with United States generally accepted accounting principles, (c) the independent auditor's audit of the Company's internal control over financial reporting which includes expressing an opinion on the effectiveness of the Company's internal control over financial reporting and (d) the Company's risk assessment and risk management. (See "Board Oversight of Risk" above.) The Audit Committee oversees the Company's accounting and financial reporting process and has the authority and responsibility for the appointment, retention and oversight of the Company's independent auditors, including pre-approval of all audit and non-audit services to be performed by the independent auditors. The Audit Committee annually reviews and approves the firm to be engaged as independent auditors for the Company for the next fiscal year, reviews with the independent auditors the plan and results of the audit engagement, reviews the scope and results of the Company's procedures for internal auditing and monitors the design and maintenance of the Company's internal accounting controls. The Audit Committee Report appears later in this proxy statement. A current copy of the written charter of the Audit Committee is available on the Company's website at www.genpt.com.

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The current members of the Audit Committee are Wendy B. Needham (Chair), Mary B. Bullock, George C. Guynn, John R. Holder and Robert C. Loudermilk, Jr. All members of the Audit Committee are independent of the Company and management, as required by the New York Stock Exchange listing standards and SEC requirements. The Board has determined that all members of the Audit Committee meet the financial literacy requirements of the NYSE corporate governance listing standards. During 2013, the Audit Committee held five meetings.

The Board of Directors has determined that Mr. Guynn and Ms. Needham meet the requirements adopted by the SEC for qualification as an audit committee financial expert. Mr. Guynn retired in 2006 as President and CEO of the Federal Reserve Bank of Atlanta, where he worked his entire career. In such capacity, Mr. Guynn has experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions as well as other relevant experience. Ms. Needham was formerly Managing Director, Global Automotive Research for Credit Suisse First Boston from August 2000 to June 2003. Prior to that, Ms. Needham was a Principal, Automotive Research for Donaldson, Lufkin & Jenrette for six years. In both of these positions, Ms. Needham actively reviewed financial statements and prepared various financial analyses and evaluations of such financial statements and related business operations.

Compensation, Nominating and Governance Committee. The Compensation, Nominating and Governance Committee is responsible for (1) determining and evaluating the compensation of the Chief Executive Officer and other executive officers and key employees and approving and monitoring our executive compensation plans, policies, and programs, (2) identifying and evaluating potential nominees for election to the Board and recommending candidates for consideration by the Board and shareholders, (3) developing and recommending to the Board a set of Corporate Governance Guidelines, as well as periodically reevaluating those Corporate Governance Guidelines, and (4) overseeing the evaluation of the Board of Directors and management. The Committee also periodically reviews and evaluates the risk involved in the Company's compensation policies and practices and the relationship of such policies and practices to the Company's overall risk and management of that risk. The Committee has and may exercise the authority of the Board of Directors as specified by the Board and to the extent permitted under the Georgia Business Corporation Code, and the Committee has the authority to delegate its duties and responsibilities to subcommittees as it deems necessary and advisable. A brief description of the Committee's policy regarding director candidates nominated by shareholders appears in *Director Nominating Process* above, and a full version can be found in the Company's By-Laws.

For 2013 the Committee independently retained a compensation consultant, Meridian Compensation Partners, LLC, to assist it in its review of and deliberations regarding executive compensation practices, including the competitiveness of pay levels, design issues, market trends and technical considerations.

During the year, Meridian assisted the Committee with the development of competitive market data for executives and a related assessment of the Company's executive compensation levels, a risk assessment of the Company's incentive compensation, and also provided legislative and regulatory updates and guidance regarding reporting of executive compensation under the SEC's proxy disclosure rules. Our Chairman and Chief Executive Officer, with input from our Senior Vice President Human Resources and Meridian, recommended to the Committee base salary, target bonus levels, actual bonus payouts and long-term incentive grants for our senior executives. The Committee considered, discussed, modified as appropriate, and took action on such proposals. The Committee has agreed that Meridian will play a similar role for 2014.

The Compensation, Nominating and Governance Committee annually considers whether the work of any compensation consultant raised any conflict of interest. For 2013, the Committee considered various factors, including the six factors mandated by SEC rules, and determined that with respect to executive and director compensation-related matters, no conflict of interest was raised by the work of Meridian. The Committee also considers the six independence factors mandated by SEC rules before engaging any other compensation advisers.

The current members of the Compensation, Nominating and Governance Committee are Michael M.E. Johns, M.D. (Chair), John D. Johns, John R. Holder and Gary W. Rollins. All members of the Compensation, Nominating and Governance Committee are independent of the Company and management, as required by the NYSE listing standards and the SEC. During 2013, the Compensation, Nominating and Governance Committee held four meetings. A current copy of the written charter of the Compensation, Nominating and Governance Committee is available on the Company's website at www.genpt.com.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table sets forth information as of February 18, 2014, as to all persons or groups known to the Company to be beneficial owners of more than five percent of the outstanding Common Stock of the Company.

Title of Class	Name and Address of Beneficial Owner	Shares	Percent
		Beneficially Owned	of Class
Common Stock, \$1.00 par value	Blackrock, Inc. 40 East 52 nd Street New York, NY 10022	12,087,954(1)	7.8%
Common Stock, \$1.00 par value	The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	11,143,121(2)	7.2%
Common Stock, \$1.00 par value	State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	8,899,348(3)	5.8%

- (1) This information is based upon information included in a Schedule 13G filed on January 29, 2014 by Blackrock, Inc. Blackrock, Inc. reports sole voting power with respect to 10,323,791 shares and sole dispositive power with respect to all 12,087,954 shares. According to the filing, the reported shares are held by Blackrock, Inc. through subsidiaries.
- (2) This information is based upon information included in a Schedule 13G filed on February 11, 2014 by The Vanguard Group, Inc. The Vanguard Group, Inc. reports sole voting power with respect to 250,617 shares, sole dispositive power with respect to 10,906,536 shares and shared dispositive power with respect to 236,585 shares. According to the filing, Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 198,735 of the reported shares. In addition, Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 89,732 of the reported shares.
- (3) This information is based upon information included in a Schedule 13G filed on February 3, 2014 by State Street Corporation. State Street Corporation reports shared voting power and shared dispositive power with respect to all 8,899,348 shares. According to the filing, the reported shares are held by State Street Corporation through subsidiaries.

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SECURITY OWNERSHIP OF MANAGEMENT

Based on information provided to the Company by the named persons, set forth in the table below is information regarding the beneficial ownership of Common Stock of the Company held by the Company's directors and nominees for director, the named executive officers (as defined in Executive Compensation below) and all directors, nominees for director and executive officers of the Company as a group as of February 18, 2014:

Name