

SOUTH STATE Corp  
Form DEF 14A  
March 06, 2019  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

SOUTH STATE CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class 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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SOUTH STATE CORPORATION

520 Gervais Street

Columbia, South Carolina 29201

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held April 25, 2019

TO THE SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of the Shareholders (the "Annual Meeting") of South State Corporation, a South Carolina corporation (the "Company"), will be held at our headquarters in the Orangeburg Conference Room on the second floor, 520 Gervais Street, Columbia, South Carolina at 2:00 p.m., on April 25, 2019, for the following purposes:

- (1) To elect four directors to serve three-year terms (our Board of Directors unanimously recommends that you vote "FOR" this proposal);
  - (2) To conduct an advisory vote on the compensation of our named executive officers (this is a non-binding, advisory vote; our Board of Directors unanimously recommends that you vote "FOR" this proposal);
  - (3) To consider a proposal to approve the 2019 Omnibus Stock and Performance Plan (our Board of Directors unanimously recommends that you vote "FOR" this proposal);
  - (4) To ratify, as an advisory, non-binding vote, the appointment of Dixon Hughes Goodman LLP, Certified Public Accountants, as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2019 (our Board of Directors unanimously recommends that you vote "FOR" this proposal); and
  - (5) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.
- Only record holders of our common stock at the close of business on February 25, 2019, are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof. This Proxy Statement was first mailed to shareholders on or about March 8, 2019.

You are cordially invited and urged to attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting in person, you are requested to promptly vote by telephone, internet, or by mail on the proposals presented, following the instructions on the Proxy Card for whichever voting method you prefer. If you vote by mail, please complete, date, sign, and promptly return the enclosed proxy in the enclosed self-addressed, postage-paid envelope. If you need assistance in completing your proxy, please call the Company at 800-277-2175. If you are a record shareholder, attend the meeting, and desire to revoke your proxy and vote in person, you may do so. In any event, a proxy may be revoked by a record shareholder at any time before it is exercised.

By Order of the Board of Directors

/s/William C. Bochette, III

William C. Bochette, III

Secretary

Columbia, South Carolina

March 6, 2019



SOUTH STATE CORPORATION

520 Gervais Street

Columbia, South Carolina 29201

PROXY STATEMENT

FOR THE ANNUAL MEETING OF SHAREHOLDERS

to be Held April 25, 2019

This Proxy Statement is furnished to shareholders of South State Corporation, a South Carolina corporation, in connection with the solicitation of proxies by our Board of Directors for use at the 2019 Annual Meeting of Shareholders to be held at our headquarters in the Orangeburg Conference Room on the second floor, 520 Gervais Street, Columbia, South Carolina at 2:00 p.m., on April 25, 2019 or any adjournment thereof (the “Annual Meeting”), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. Directions to our headquarters may be obtained by contacting Rachel Miller at 803-268-9419. Unless the context indicates otherwise, all references to the “Company,” “we,” “us” and “our” in this Proxy Statement refer to South State Corporation, together with its subsidiaries, including South State Bank (the “Bank”).

Solicitation of proxies may be made in person or by mail, telephone or other means by directors, officers and regular employees of the Company. We may also request banking institutions, brokerage firms, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common stock, par value \$2.50 per share, of the Company held of record by such persons, and we will reimburse the reasonable forwarding expenses. We will pay the cost of solicitation of proxies. This Proxy Statement was first mailed to shareholders on or about March 8, 2019.

Our principal executive offices are located at 520 Gervais Street, Columbia, South Carolina 29201. Our mailing address is P.O. Box 1030, Columbia, South Carolina 29202, and our telephone number is 800-277-2175.

ANNUAL REPORT

The Annual Report to Shareholders (which includes our Annual Report on Form 10-K containing, among other things, our fiscal year ended December 31, 2018 financial statements) accompanies this Proxy Statement. Such Annual Report to Shareholders does not form any part of the material for the solicitation of proxies.

REVOCAION OF PROXY

If you are a shareholder of record returning the accompanying proxy, you may revoke such proxy at any time prior to its exercise by:

- giving written notice to the Company of such revocation,
- voting in person at the meeting, or
- executing and delivering to the Company a later dated proxy.

Your attendance at the Annual Meeting will not in itself constitute revocation of a proxy. Any written notice or proxy revoking a proxy should be sent to South State Corporation, P.O. Box 1030, Columbia, South Carolina 29202, Attention: William C. Bochette, III. Your written notice of revocation or delivery of a later dated proxy will be effective upon receipt by the Company.

## QUORUM AND VOTING

Our only voting security is our common stock, each share of which entitles the holder to one vote on each matter to come before the Annual Meeting. At the close of business on February 25, 2019 (the “Record Date”), we had issued and outstanding 35,370,054 shares of common stock, which were held of record by approximately 28,000 shareholders. Only shareholders of record at the close of business on the Record Date are entitled to notice of and to vote on matters that come before the Annual Meeting. Notwithstanding the Record Date specified above, our stock transfer books will not be closed and shares of the common stock may be transferred subsequent to the Record Date. However, all votes must be cast in the names of holders of record on the Record Date.

The presence in person or by proxy of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. If a share is represented for any purpose at the Annual Meeting by the presence of the registered owner or a person holding a valid proxy for the registered owner, it is deemed to be present

for the purposes of establishing a quorum. Therefore, valid proxies which are marked “Abstain” or “Withhold” or as to which no vote is marked, including proxies submitted by brokers who are the record owners of shares but who lack the power to vote such shares (so called “broker non-votes”), will be included in determining the number of votes present or represented at the Annual Meeting. If a quorum is not present or represented at the Annual Meeting, the shareholders entitled to vote, present in person or represented by proxy, have the power to adjourn the Annual Meeting from time to time until a quorum is present or represented. If any such adjournment is for a period of less than 30 days, no notice, other than an announcement at the Annual Meeting, is required to be given of the adjournment. If the adjournment is for 30 days or more, notice of the adjourned Annual Meeting will be given in accordance with our Bylaws. Directors, officers and regular employees of the Company, in addition to our proxy solicitor, may solicit proxies for the reconvened Annual Meeting in person or by mail, telephone or other means. At any such reconvened Annual Meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the Annual Meeting as originally noticed. Once a quorum has been established, it will not be destroyed by the departure of shares prior to the adjournment of the Annual Meeting.

Provided a quorum is established at the Annual Meeting, directors will be elected by a majority of the votes cast at the Annual Meeting. Our shareholders do not have cumulative voting rights.

All other matters to be considered and acted upon at the Annual Meeting require that the number of shares of common stock voted in favor of the matter exceed the number of shares of common stock voted against the matter, provided a quorum has been established. Abstentions, broker non-votes and the failure to return a signed proxy will have no effect on the outcome of such matters.

Brokers are members of the New York Stock Exchange (the “NYSE”) which allows its member-brokers to vote shares held by them for their customers on matters the NYSE determines are routine, even though the brokers have not received voting instructions from their customers. If the NYSE does not consider a matter routine, then your broker is prohibited from voting your shares on the matter unless you have given voting instructions on that matter to your broker. Because the NYSE does not consider Proposals No. 1, 2 and 3 to be routine matters, it is important that you provide instructions to your bank or broker if your shares are held in street name so that your vote with respect to each of these matters is counted. If you do not give your bank or broker voting instructions with respect to Proposals No. 1, 2 and 3, your bank or broker may not vote on these matters.

#### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

#### FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 25, 2019

This Proxy Statement and our 2018 Annual Report to Shareholders (which includes our 2018 Annual Report on Form 10-K) are available at <http://www.envisionreports.com/SSB>.

#### ACTIONS TO BE TAKEN BY THE PROXIES

Each proxy, unless the shareholder otherwise specifies therein, will be voted according to the recommendations of the Board of Directors as follows:

Proposal One:FOR the election of the persons named in this Proxy Statement as the Board of Directors’ nominees for election to the Board of Directors; and

Proposal Two:FOR the approval of the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (the “SEC”), including the compensation discussion and analysis, the compensation tables and any related material disclosed in this Proxy Statement; and

Proposal Three:FOR the approval of the 2019 Omnibus Stock and Performance Plan; and

Proposal Four:FOR the ratification of the appointment of Dixon Hughes Goodman LLP as independent registered public accounting firm for the fiscal year ending December 31, 2019.

In each case where you have appropriately specified how the proxy is to be voted, it will be voted in accordance with your specifications. As to any other matter of business that may be brought before the Annual Meeting, a vote may be cast pursuant to the accompanying proxy in accordance with the best judgment of the persons voting the same. However, the Board of Directors does not know of any such other business.



## SHAREHOLDER PROPOSALS AND COMMUNICATIONS

Any shareholder of the Company desiring to include a proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”) in our 2020 proxy statement for action at the 2020 annual meeting of shareholders must deliver the proposal to our executive offices no later than November 10, 2019, unless the date of the 2020 annual meeting of shareholders is more than 30 days before or after April 25, 2020, in which case the proposal must be received a reasonable time before we begin to print and send our proxy materials. Only proper proposals that are timely received and in compliance with Rule 14a-8 will be included in our 2020 proxy statement.

Under our Bylaws, shareholder proposals not intended for inclusion in our 2020 proxy statement pursuant to Rule 14a-8 but intended to be raised at the 2020 annual meeting of shareholders, including nominations for election of director(s) other than the Board’s nominees, must be received no earlier than 120 days and no later than 90 days prior to the first anniversary of the 2019 annual meeting of shareholders and must comply with the procedural, informational and other requirements outlined in our Bylaws. To be timely for the 2020 annual meeting of shareholders, a shareholder proposal must be delivered to the Secretary of the Company, P.O. Box 1030, Columbia, South Carolina 29202, no earlier than December 21, 2019 and no later than January 20, 2020.

We do not have a formal process by which shareholders may communicate with the Board of Directors. Historically, however, the chairman of the Board or the Governance Committee has undertaken responsibility for responding to questions and concerns expressed by shareholders. In the view of the Board of Directors, this approach has been sufficient to ensure that questions and concerns raised by shareholders are adequately addressed. Any shareholder desiring to communicate with the Board may do so by writing to the Secretary of the Company at P.O. Box 1030, Columbia, South Carolina 29202.

## BENEFICIAL OWNERSHIP OF CERTAIN PARTIES

The following table sets forth the number and percentage of outstanding shares that exceed 5% beneficial ownership (determined in accordance with Rule 13d-3 under the Exchange Act) by any single person or group, as known by the Company based on 35,370,054 shares of common stock issued and outstanding as of the Record Date:

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Shares Outstan
Common Stock	The Vanguard Group 100 Vanguard Boulevard, Malvern, PA 19355	3,301,846	(1) 9.3
Common Stock	BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	2,674,522	(2) 7.6
Common Stock	Wellington Management Company LLP 280 Congress Street, Boston, MA 02210	2,491,595	(3) 7.0

- (1) Beneficial ownership of The Vanguard Group is based on its Schedule 13G/A filed with the SEC on February 11, 2019. The Vanguard Group reported that it has sole power to vote or to direct the vote of 36,394 shares of common stock, shared power to vote or direct the vote of 3,876 shares of common stock, sole power to dispose or direct the disposition of 3,265,461 shares of common stock and shared power to dispose or direct the disposition of 36,385 shares of common stock.
- (2) Beneficial ownership of BlackRock, Inc. is based on its Schedule 13G/A filed with the SEC on February 6, 2019. BlackRock, Inc. reported that it has sole power to vote or to direct the vote of 2,567,070 shares of common stock and sole power to dispose or direct the disposition of 2,674,522 shares of common stock.
- (3) Beneficial ownership of Wellington Management Group LLP is based on its Schedule 13G filed with the SEC on February 12, 2019. Wellington Management Group LLP reported that it has shared power to vote or to direct the

vote of 2,199,838 shares of common stock and shared power to dispose or direct the disposition of 2,491,595 shares of common stock.

## BENEFICIAL OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of February 25, 2019, the number and percentage of outstanding shares of common stock beneficially owned by (i) each director and nominee for director of the Company, (ii) each executive officer named in the Summary Compensation Table, and (iii) all executive officers and directors of the Company as a group. Unless otherwise indicated, the mailing address for each beneficial owner is care of South State Corporation, P.O. Box 1030, Columbia, South Carolina 29202.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Shares Outstanding
	Common Shares Beneficially Owned (1)	Common Shares Subject to a Right to Acquire (2)	
Jimmy E. Addison (6)	14,727	—	* %
Paula Harper Bethea (6)	14,506	—	* %
Renee R. Brooks (4) (6)	14,992	8,705	* %
Joseph E. Burns (5) (6)	24,380	11,491	* %
James C. Cherry	8,785	—	* %
Jean E. Davis (6)	13,286	—	* %
Martin B. Davis (6)	2,570	—	* %
Robert H. Demere, Jr. (3) (5) (6)	97,695	—	* %
Cynthia A. Hartley (6)	8,157	—	* %
Robert R. Hill, Jr. (6)	83,373	52,398	* %
Robert R. Horger (6)	82,577	17,992	* %
Thomas J. Johnson (6)	22,895	—	* %
Jonathan S. Kivett (6)	8,639	—	* %
Grey B. Murray (6)	4,020	—	* %
John C. Pollok (3) (4) (6)	77,914	34,498	* %
James W. Roquemore (3) (5) (6)	46,220	—	* %
Thomas E. Suggs (6)	16,264	—	* %
Kevin P. Walker (6)	12,759	—	* %
John F. Windley (4)	27,131	16,379	* %
All directors and executive officers as a group (21 persons) (4) (6)	584,157	141,463	2.05 %

\* Represents less than 1% based on 35,370,054 shares of common stock issued and outstanding.

- (1) As reported to the Company by the directors, nominees and executive officers.
- (2) Based on the number of shares of common stock acquirable by directors and executive officers through vested stock options within 60 days of the Record Date of February 25, 2019.
- (3) Excludes shares of common stock owned by or for the benefit of family members of the following directors and executive officers, each of whom disclaims beneficial ownership of such shares: Mr. Pollok, 666 shares; Mr. Demere, 1,325 shares and Mr. Roquemore, 5,587 shares; and all directors and executive officers as a group, 7,578 shares.
- (4) Includes shares of common stock held as of December 31, 2018 by the Company under our 401(K) Employee Savings Plan, as follows: Mrs. Brooks, 4,322 shares; Mr. Pollok, 8,437 shares; Mr. Windley, 2,848 shares; and all directors and executive officers as a group, 15,607 shares.
- (5) For Mr. Demere, includes 52,257 shares of common stock owned by Colonial Group, Inc., of which Mr. Demere is President and Chief Executive Officer. For Mr. Roquemore, includes 9,426 shares owned by Patten Seed Company, of which Mr. Roquemore is a 29% owner and management affiliate. For Mr. Burns, includes 2,137 shares owned by J.E. Burns Holdings, Inc., of which Mr. Burns is an 86% owner and has the ability to direct the

voting and disposition of the shares.

- (6) Includes unvested shares of restricted stock, as to which the executive officers and directors have full voting privileges. The shares are as follows: Mr. Burns, 655 shares; Mr. Hill, 13,520 shares; Mr. Horger, 2,344 shares; Mr. Pollok, 11,476 shares; and all directors and executive officers as a group, 31,672 shares.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

Our Articles of Incorporation provide for a maximum of 20 directors; to be divided into three classes with each director serving a three-year term, with the classes as equal in number as possible. Our Board of Directors has currently established the number of directors at 15.

Robert R. Horger, Robert H. Demere, Jr., Grey B. Murray, and James W. Roquemore, all of whom currently are directors of the Company and whose terms expire at the Annual Meeting, have been nominated by our Board of Directors for re-election by the shareholders. If re-elected, Messrs. Horger, Demere, Murray and Roquemore will serve as directors of the Company for a three-year term, expiring at the 2022 annual meeting of shareholders of the Company.

Jimmy E. Addison, a director since 2007, will retire effective as of the Annual Meeting. The Board of Directors has determined not to fill the vacancy caused by Mr. Addison's retirement at this time. Therefore, effective as of the Annual Meeting, the Board will be reduced to 14 directors. Mr. Addison has served as a director of the Company since 2007. We appreciate Mr. Addison's contribution to the Company during his service as a director.

The Board of Directors unanimously recommends that shareholders vote "FOR" the director nominees.

The table below sets forth for each director's name, age, when first elected and current term expiration, business experience for at least the past five years, and the qualifications that led to the conclusion that the individual should serve as a director.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Robert R. Horger	68	1991	2019		Mr. Horger has served as Chairman of the Company and the Bank since 1998. He also has served as Vice Chairman of the Company and the Bank, from 1994 to 1998. Mr. Horger has been an attorney with Horger, Barnwell and Reid in Orangeburg, South Carolina, since 1975. During his tenure as Chairman, Mr. Horger has developed knowledge of our business, history, organization, and executive management which, together with his personal understanding of many of the markets that we serve, has enhanced his ability to lead the Board of Directors through varying business environments for financial institutions. Mr. Horger's legal training and experience enhance his ability to understand our regulatory framework.
Robert R. Hill, Jr.	52	1996	2020		Mr. Hill has served as Chief Executive Officer of the Company since November 6, 2004. Mr. Hill also served as President of the Company from November 6, 2004 to July 26, 2013. Prior to that time, Mr. Hill served as President and Chief Operating Officer of South State Bank, from 1999 to November 6, 2004. Mr. Hill joined us in 1995. He was appointed to serve on the Federal Reserve Board of Directors in December 2010. Mr. Hill brings to the Board an intimate understanding of our business and

Employee

organization, as well as substantial leadership ability, banking industry expertise, and management experience.

John C. 53 2012 2021  
Pollok

Mr. Pollok has served as Chief Financial Officer since March 21, 2012 and as Chief Operating Officer of the Company from February 15, 2007 until July 19, 2018. Mr. Pollok also previously served as the Chief Operating Officer of the Bank from February 15, 2007 until March 21, 2012. Prior to that time, Mr. Pollok served as the Chief Financial Officer of the Company from February 15, 2007 until January 3, 2010. Mr. Pollok brings to the Board an overall institutional knowledge of our business, banking industry expertise, and leadership experience.

Chief  
Financial  
Officer

South  
State Bank

Employee

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Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Jimmy E. Addison	58	2007	2019		Mr. Addison served as Chief Executive Officer of SCANA Corporation, until the merger with Dominion Energy which closed on January 1, 2019. He retired on February 1, 2019. He previously served as its Chief Financial Officer from 2006 through 2017 and as President of SCANA Energy from 2014 through 2017. Mr. Addison also serves as a member of the board (past president) for the Business Partnership Foundation of the Darla Moore School of Business at the University of South Carolina. He is a licensed CPA and previously worked for an international accounting firm. His leadership experience, knowledge of financial reporting requirements of public companies, and business and personal ties to many of the Bank's market areas enhance his ability to contribute as a director.
Paula Harper Bethea  Vice Chairman	63	2013	2020		Mrs. Bethea has served as Vice-Chairman of the Board of Directors of the Company and the Bank since 2013. She is currently President of Strategic Synergies LLC and President of Dillon Property Holdings LLC. Mrs. Bethea was formerly the Executive Director of the South Carolina Education Lottery and was one of nine South Carolinians chosen in 2001 to establish the Lottery. Prior to this position, Mrs. Bethea was with the McNair Law Firm from 2006 to 2009 where she served as Director of External Relations. Mrs. Bethea served on the board of directors of former First Financial Holdings, Inc. ("FFHI") of Charleston, South Carolina from 1996 until it merged with the Company in 2013. Her business and personal experience in certain of the communities that the Bank serves provides her with an appreciation of markets that we serve, and her leadership experiences provide her with insights regarding organizational behavior and management.
James C. Cherry	68	2017	2020		Mr. Cherry served as the Chief Executive Officer and as a director of Park Sterling Corporation from its formation in 2010 until November 2017 when it merged with the Company. Mr. Cherry has served as a consultant to the Bank since November 2017. He retired as the Chief Executive Officer for the Mid-Atlantic Banking Region at Wachovia Corporation in 2006, and previously served as President of Virginia Banking, Head of Trust and Investment Management, and in various positions in North Carolina and Virginia banking including Regional Executive, Area Executive, City Executive,

Corporate Banking and Loan Administration Manager, and Retail Banking Branch Manager for Wachovia. He is currently a director of Armada Hoffler Properties Inc. (NYSE: AHH), a Virginia-based publicly traded real estate company; Beach Community Bank, a Fort Walton, Florida based commercial bank; and, Manga Imperio Systems Corporation, a Houston, Texas based water purification company. Mr. Cherry's extensive experience in commercial and retail banking operations, credit administration, product management and merger integration at Wachovia and Park Sterling Bank, which was focused in the Carolinas and Virginia, provides the Board with significant expertise important to the oversight of the Company and expansion into our target markets.



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Name	Age	First Elected Director 2017	Current Term Expires 2020	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Jean E. Davis	63				Ms. Davis, a former Park Sterling Corporation board member, retired as the head of Operations, Technology and e-Commerce of Wachovia Corporation in 2006. She previously served as the Head of Operations and Technology, Head of Human Resources, Head of Retail Banking, and in several office executive, regional executive and corporate banking roles for Wachovia. She is currently a member of the Board of Safe Alliance, Charlotte, North Carolina and of the Charlotte Latin School. Ms. Davis brings extensive knowledge of bank operations and technology, as well as human resources, to the Board of Directors, both of which are important to our long-term success. In addition, she brings a strong background in retail banking, merger due diligence and merger integration experience.
Martin B. Davis	55	2016	2020		Mr. Davis is Executive Vice President of Southern Company Services and Chief Information Officer of Southern Company (NYSE: SO) and has served in this position since July 2015. Prior to this time, Mr. Davis was the head of Enterprise Technology Services, Chief Technology Officer, and Executive Vice President with Wells Fargo from 2008 through 2014. Mr. Davis has spent over 30 years leading complex technology organizations in highly regulated environments. Mr. Davis serves on the American Heart Association's Mid-Atlantic region board of directors. Mr. Davis served on the board of trustees at Winston-Salem State University. He has been recognized as one of the "50 Most Important African-Americans in Technology" by U.S. Black Engineers & Information Technology magazine and one of the "75 Most Powerful African-Americans in Corporate America" by Black Enterprise. Mr. Davis' technology-related experience provides him with useful insight regarding this area of increasing strategic importance to bank marketing and operations.
Robert H. Demere, Jr.	70	2012	2019		Mr. Demere serves as Chairman and Chief Executive Officer of Colonial Group, Inc., a petroleum marketing company located in Savannah, Georgia. Mr. Demere has been employed by Colonial Group, Inc. since 1974. As the former President of Colonial Group, Inc., Mr. Demere has attained valuable experience in raising equity in the capital markets. Prior to working for Colonial, Mr. Demere worked as a stockbroker for Robinson-Humphrey Company. Mr. Demere served on the board of directors of Savannah Bancorp Inc. from 1989 until we acquired it in 2012. His business and

personal experience in certain of the communities that the Bank serves also provides him with an appreciation of and useful insight regarding certain markets that we serve.

Cynthia A. Hartley 70 2011 2021

Mrs. Hartley retired in 2011 as Senior Vice President of Human Resources with Sonoco Products Company in Hartsville, South Carolina. Mrs. Hartley served as the Chairman of the Board of Trustees for Coker College in Hartsville, South Carolina. Mrs. Hartley was first elected to our Board of Directors in May of 2011. Her leadership experience, knowledge of human resource matters, and business and personal ties with many of the Bank's market areas enhance her ability to contribute as a director.

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Name	Age	First Elected Director 2013	Current Term Expires 2020	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Thomas J. Johnson	68				Mr. Johnson is President, Chief Executive Officer, and Owner of F&J Associates, a company that owns and operates automobile dealerships in the southeastern United States and the U.S. Virgin Islands. He serves on the Board of Directors of the South Carolina Automobile Dealers Association, the Board of Visitors of the Coastal Carolina University School of Business and the South Carolina Business Resources Board. Mr. Johnson served on the board of directors of FFHI from 1998 until it merged with us in 2013. Mr. Johnson's extensive business experience and knowledge of markets that we serve enhance his ability to contribute as a director.
Grey B. Murray	53	2017	2019		Mr. Murray, a former Georgia Bank & Trust board member, has served as President of United Brokerage Company, Inc., headquartered in Augusta, Georgia since 1991. Mr. Murray also serves as a Commissioner on the Augusta Aviation Commission and is a graduate of Leadership Georgia. An active member of the community, Mr. Murray has served on the board of directors of the American Heart Association, University Health Care Foundation, Augusta Country Club, Secession Golf Club, St. Paul's Building Authority, Exchange Club of Augusta, Georgia Movers Association, and Augusta Preparatory Day School (past Chairman of the Board). Mr. Murray's extensive business experience and knowledge of markets that we serve enhance his ability to contribute as a director.
James W. Roquemore	64	1994	2019		Mr. Roquemore had served as Chief Executive Officer of Patten Seed Company, Inc. of Lakeland, Georgia, and General Manager of Super-Sod/Carolina, a company that produces and markets turf, grass, sod and seed, since 1997. As the Chief Executive Officer of a company, Mr. Roquemore has experience with management, marketing, operations, and human resource matters. His business and personal experience in the communities that the Bank serves also provides him with an appreciation of markets that we serve. Moreover, during his tenure as a director he has developed knowledge of our business, history, organization, and executive management which, together with the relationships that he has developed, enhance his leadership and consensus-building ability.
	69	2001	2021		

Thomas E.  
Suggs

Mr. Suggs has served as President and Chief Executive Officer of HUB Carolinas, a region of HUB International, the eighth largest insurance broker in the world, since August 2016. Mr. Suggs was the President and Chief Executive Officer of Keenan & Suggs, Inc., an insurance brokerage and consulting firm, before it was acquired by HUB International in August 2016. Mr. Suggs has over 23 years of experience in the insurance industry and 25 years of banking experience. As the chief executive officer of the HUB Carolinas region, Mr. Suggs has experience with management, marketing, operations, and human resource matters, and his experience with the banking industry also provides him with certain insights. His business and personal experience in communities that the Bank serves also provides him with an appreciation of markets that we serve.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Kevin P. Walker	68	2010	2021		Mr. Walker, CPA/ABV, CFE, is a founding partner of GreerWalker LLP with offices in Charlotte, North Carolina and Greenville, South Carolina. GreerWalker LLP, founded in 1984, is the largest certified public accounting firm founded and headquartered in Charlotte and currently employs approximately 115 people. Mr. Walker is also a member of the American Institute of Certified Public Accountants, the North Carolina Association of Certified Public Accountants, the Financial Consulting Group, the Association of Certified Fraud Examiners, and the American Arbitration Association Panel of Arbitrators. Mr. Walker was first elected to our Board of Directors in October 2010. Mr. Walker's leadership experience, accounting knowledge and business and personal experience in certain of our markets enhance his ability to contribute as a director.

#### FAMILY RELATIONSHIPS

There are no family relationships between any of our directors and executive officers.

#### THE BOARD OF DIRECTORS AND COMMITTEES

During 2018, our Board of Directors held seven meetings. Each director attended at least 75% of the aggregate of the total number of board meetings and the total number of meetings held by the committees of the Board on which he or she served.

There is no formal policy regarding director attendance at annual shareholder meetings, though we strongly encourage such attendance. We recognize that conflicts may occasionally arise that will prevent a director from attending an annual meeting. All of our directors attended the 2018 annual meeting.

Our Board of Directors maintains executive, audit, compensation, governance, and risk committees. The composition and frequency of meetings for these committees during 2018 were as follows:

Name	Independent Under NASDAQ Requirements	Committees of the Board of Directors				
		Executive	Audit	Compensation	Governance	Risk
Robert R. Horger	(2)	(8 meetings)	(10 meetings)	(7 meetings)	(4 meetings)	(4 meetings)
	No	Chair				
	No					

Robert R. Hill, Jr.			
John C. Pollok	No		
Jimmy E. Addison	Yes		Chair (1)
Paula Harper	Yes		
Bethea James C. Cherry	No		
Jean E. Davis	Yes		
Martin B. Davis	Yes		Chair
Robert H. Demere Jr.	Yes		
Cynthia A. Hartley	Yes	Chair	
Thomas J. Johnson	Yes		
Grey B. Murray	Yes		
James W. Roquemore	Yes		
Thomas E. Suggs	Yes		
Kevin P. Walker	Yes	Chair	

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(1) As noted above, Mr. Addison will retire from the Board of Directors effective as of the Annual Meeting.

- (2) All directors other than Robert R. Horger, Robert R. Hill, Jr., John C. Pollok and James C. Cherry meet the independence requirements of The NASDAQ Stock Market. Therefore, under these requirements, a majority of the members of our Board of Directors is independent.

The functions of these committees are as follows:

**Executive Committee**—The Executive Committee may, between meetings of the Board of Directors, exercise authority on behalf of the Board of Directors except with respect to those matters specifically delegated to another Board committee and those matters required by law, the rules and regulations of any securities exchange on which the Company’s securities are listed, or the Company’s or Bank’s charter or bylaws to be exercised by the full Board of Directors. The Executive Committee has the authority to recommend and approve new policies and to review and approve present policies or policy updates and changes. The Executive Committee charter can be found on our website at <https://www.southstatebank.com/> under Investor Relations.

**Audit Committee**—Our Board of Directors has determined that all members of the Audit Committee are independent directors under the independence requirements of The NASDAQ Stock Market, including the requirements of SEC Rule 10A-3. Our Board of Directors has also determined that Kevin P. Walker is an “Audit Committee financial expert” for purposes of the rules and regulations of the SEC adopted pursuant to the Sarbanes Oxley Act of 2002. The primary function of the Audit Committee is to assist our Board of Directors in overseeing (i) our accounting and financial reporting processes generally, (ii) the audits of our financial statements and (iii) our systems of internal controls regarding finance and accounting. In such role, the Audit Committee reviews the qualifications, performance, effectiveness and independence of our independent accountants and has the authority to appoint, evaluate and, where appropriate, replace our independent accountants. The Audit Committee also oversees our internal audit department and consults with management regarding the internal audit process and the effectiveness and reliability of our internal accounting controls. Our Board of Directors has adopted a charter for the Audit Committee, a copy of which is located on our website at <https://www.southstatebank.com/> under Investor Relations.

**Compensation Committee**—Our Board of Directors has determined that all members of the Compensation Committee are independent directors under the independence requirements of The NASDAQ Stock Market applicable to directors who serve on the Compensation Committee. The Compensation Committee, among other functions, has overall responsibility for evaluating, and approving or recommending to the Board for approval, our director and officer compensation plans, policies and programs. Until January 2019, following recommendations by the Compensation Committee, the full Board of Directors was responsible for approving or disapproving compensation paid to our Chief Executive Officer and each of our other executive officers, other than compensation that was approved by the Compensation Committee under our Omnibus Stock and Performance Plan or our Annual Incentive Plan. The Compensation Committee charter was amended in January of 2019 to provide that the Compensation Committee shall review and approve the compensation of all our executives and officers as it deems appropriate. The Compensation Committee, which currently consists of five independent directors, is required to be made up of no fewer than three independent directors who are recommended by the Chairman of the Board of Directors and approved by the Board. The Compensation Committee’s processes and procedures for considering and determining executive compensation are described below under “Compensation Discussion and Analysis.” The Compensation Committee charter can be found on our website at <https://www.southstatebank.com/> under Investor Relations.

**Governance Committee**—Our Board of Directors has determined that all members of the Governance Committee are independent directors under the independence requirements of The NASDAQ Stock Market applicable to directors who serve on the Governance Committee. The Governance Committee identifies and recommends individuals qualified to become Board members, reviews our corporate governance practices and recommends changes thereto, and assists our Board in its periodic review of the Board’s performance. The Governance Committee charter can be found on our website at <https://www.southstatebank.com/> under Investor Relations.

The Governance Committee acts as the nominating committee for the purpose of recommending to the Board of Directors nominees for election to the Board. The Governance Committee has not established any specific, minimum

qualifications that must be met for a person to be nominated to serve as a director, and the Governance Committee has not identified any specific qualities or skills that it believes are necessary to be nominated as a director. The Governance Committee charter provides that potential candidates for the Board, including any nominees submitted by shareholders in accordance with our Bylaws, are to be reviewed by the Governance Committee and that candidates are selected based on a number of criteria, including a proposed nominee's independence, age, skills, occupation, diversity, experience and any other factors beneficial to the Company in the context of the needs of the Board. The Governance Committee has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees. In determining whether to recommend a director nominee, Governance Committee members consider and discuss diversity, among other factors, with a view toward the needs of the Board of Directors as a whole. The Governance Committee members generally conceptualize diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoints, professional experience, education, skills and other qualities or attributes that contribute to Board heterogeneity when identifying and recommending director nominees. The Governance Committee believes that the inclusion of diversity as one of many



factors considered in selecting director nominees is consistent with its goal of creating a Board of Directors that best serves our needs and the interest of our shareholders.

The Governance Committee has performed a review of the experience, qualifications, attributes and skills of the Board's current membership, including the director nominees for election to the Board of Directors and the other members of the Board, and believes that the current members of the Board, including the director nominees, as a whole possess a variety of complementary skills and characteristics, including the following:

- successful business or professional experience;
- various areas of expertise or experience, which are desirable to our current business, such as general management, planning, legal, marketing, technology, banking and financial services;
- personal characteristics such as character, integrity and accountability, as well as sound business judgment and personal reputation;
- willingness and ability to commit the necessary time to fully discharge the responsibilities of Board membership;
- leadership and consensus building skills; and
- commitment to our success.

Each individual director has qualifications and skills that the Governance Committee believes, together as a whole, create a strong, well-balanced Board. The experiences and qualifications of our directors are found in the table on pages 6-9.

The Governance Committee will consider director nominees identified by its members, other directors, our officers and employees and other persons, including our shareholders. For a shareholder to nominate a director candidate, the shareholder must comply with the advance notice provisions and other requirements of our Bylaws. Each notice must state, among other things:

- as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made
- o the name and address of the shareholder who intends to make the nomination and of such beneficial owner, if any;
- o the class or series and number of shares of the Company which are, directly or indirectly, owned beneficially and of record by such shareholder and such beneficial owner,
- o any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Company or with a value derived in whole or in part from the value of any class or series of shares of the Company, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Company or otherwise directly or indirectly owned beneficially by such shareholder or such beneficial owner and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company,
- o any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder or such beneficial owner has a right to vote any shares of any security of the Company,
- o any short interest in any security of the Company,
- o any rights to dividends on the shares of the Company owned beneficially by such shareholder or such beneficial owner that are separated or separable from the underlying shares of the Company,
- o any proportionate interest in shares of the Company or derivative instruments held, directly or indirectly, by a general or limited partnership in which such shareholder or such beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,
- o any performance-related fees (other than an asset-based fee) that such shareholder or such beneficial owner is entitled to, based on any increase or decrease in the value of shares of the Company or derivative instruments, if

- any, as of the date of such notice, including without limitation any such interests held by members of such shareholder's or such beneficial owner's immediate family sharing the same household (which information shall be supplemented by such shareholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date),
- o any pending or threatened legal proceeding in which such shareholder or such beneficial owner is a party or participant involving the Company or any of its officers or directors, or any affiliate of the Company,

- o any other material relationship between such shareholder or such beneficial owner, on the one hand, and the Company, any affiliate of the Company or any principal competitor of the Company, on the other hand, and
- o to the extent known to such shareholder or such beneficial owner, the name(s) of any other shareholder(s) of the Company (whether holders of record or beneficial owners) that support the business that the shareholder proposes to bring before the meeting or the nominees whom the shareholder proposes to nominate for election or reelection to the Board, as applicable;
  
- a representation of such shareholder and such beneficial owner, if any, that such person (or a qualified representative thereof) intends to appear in person at the meeting, and
  
- any other information relating to such shareholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

In addition to the information required above, each notice must also state, among other things, as to each person, if any, whom the shareholder proposes to nominate for election or re-election to the board of directors:

- all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), and
  
- a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant.

For a complete description of the procedures and disclosure requirements to be complied with by shareholders in connection with submitting director nominations, shareholders should refer to our Bylaws.

**Risk Committee**—The Risk Committee of our Board of Directors provides assistance to the Board of Directors by striving to identify, assess, and monitor key business risks that may impact our operations and results. The charter for the Risk Committee can be found at <https://www.southstatebank.com/> under Investors Relations.

While the Risk Committee oversees and reviews our risk functions to monitor key business risks, management is ultimately responsible for designing, implementing, and maintaining an effective risk management program to identify, plan for, and respond to our material risks. The Risk Committee charter acknowledges that our Audit Committee is primarily responsible for certain risks, including accounting and financial reporting. Although the Risk Committee does not have primary responsibility for the risks which are subject to the jurisdiction of the Audit Committee, it is anticipated that on occasion certain results from audit functions will be reviewed by the Risk Committee.

**Code of Ethics**—Our Board of Directors and the Board of Directors of the Bank have adopted a Code of Ethics to provide ethical guidelines for the activities of our, and our subsidiaries', agents, attorneys, directors, officers, and employees (including, among others, our chief executive officer, chief financial officer, principal accounting officer and all managers reporting to these individuals who are responsible for accounting and financial reporting). The Code of Ethics is intended to promote, train, and encourage adherence in business and personal affairs to a high ethical standard and also helps maintain the Company as an institution that serves the public with honesty, integrity and fair-dealing. The Code of Ethics is designed to comply with the Sarbanes-Oxley Act of 2002, and certain other laws that provide guidelines in connection with possible breaches of fiduciary duty, dishonest efforts to undermine financial institution transactions and the intent to corrupt or reward a Company employee or other Company representative. A copy of the Code of Ethics can be found on our website at <https://www.southstatebank.com/> under Investor Relations. We will disclose any future amendments to, or waivers from, provisions of these ethics policies and standards on our website promptly as practicable, as and to the extent required under The NASDAQ Stock Market listing standards and applicable SEC rules.

Board of Directors' Corporate Governance Guidelines—Our Board of Directors and the Board of Directors of the Bank have each adopted certain guidelines governing the qualifications, conduct and operation of the Board. Among other things, these guidelines outline the duties and responsibilities of each director, and establish certain minimum requirements for director training. Each director is required to read, review and sign the corporate governance guidelines on an annual basis. A copy of these guidelines can be found on our website at <https://www.southstatebank.com/> under Investor Relations.

#### Board Leadership Structure and Role in Risk Oversight

We are focused on our corporate governance practices and value independent Board oversight as an essential component of strong corporate performance to enhance shareholder value. Our commitment to independent oversight is demonstrated by the fact that over 73% of all of our directors are independent. In addition, our Board has determined all of the members of our Board's Audit, Compensation, Risk and Governance Committees are independent. See the discussion entitled "Certain Relationships and Related Transactions" on page 55 for additional information concerning Board independence.

In view of the Board of Directors extensive oversight responsibilities, we believe it is beneficial to have separate individuals in the role of Chairman and Chief Executive Officer. Our Board believes that it is preferable for Mr. Horger to serve as Chairman of the Board because of his strong institutional knowledge of our business, history, industry, markets, organization and executive management gained in his 20 years of experience in a leadership position on the Board. We believe it is the Chief Executive Officer's responsibility to manage the Company and the Chairman's responsibility to guide the Board as the Board provides leadership to our executive management. Traditionally, the Company has maintained the separateness of the roles of the Chairman and the Chief Executive Officer. In making its decision to continue to have a separate individual serve as Chairman and Chief Executive Officer, the Board considered the time and attention that Mr. Hill is required to devote to managing our day-to-day operations. We believe that this Board leadership structure is appropriate in maximizing the effectiveness of Board oversight and in providing perspective to our business that is independent from executive management.

Our Board of Directors oversees risk through the various Board standing committees, principally the Audit Committee and the Risk Committee, which report directly to the Board. Our Audit Committee is primarily responsible for overseeing our accounting and financial reporting risk management processes on behalf of the full Board of Directors. The Audit Committee focuses on financial reporting risk and oversight of the internal audit process. It receives reports from management at least quarterly regarding our assessment of risks and the adequacy and effectiveness of internal control systems, and also reviews credit and market risk (including liquidity and interest rate risk), and operational risk (including compliance and legal risk). Our Chief Credit Officer and Chief Financial Officer meet with the Audit Committee on a quarterly basis in executive sessions to discuss any potential risks or control issues involving management. Our Chief Risk Officer meets with the Risk Committee each quarter to identify, assess, and monitor key business risks that may impact our operations and results.

Each of the Board's standing committees, as described above, is involved to varying extents in the following:

- determining risk appetites, policies and limits
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