

BANK OF SOUTH CAROLINA CORP  
Form DEF 14A  
March 04, 2019

**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**

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 Rule 14a-12

**Bank of South Carolina Corporation**

(Name of Registrant as Specified In Its Charter)

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

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**PROXY MATERIAL OF  
BANK OF SOUTH CAROLINA CORPORATION  
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 9, 2019**

Dear Shareholder:

I cordially invite you to attend the Annual Meeting of Shareholders of Bank of South Carolina Corporation, to be held on April 9, 2019 at 2:00pm EST at 256 Meeting Street, Charleston, South Carolina 29401, for the following purposes:

1. to elect eighteen Directors to our Board of Directors to serve a one-year term;
2. to obtain advisory approval of the Company's Executive Compensation;
3. to obtain advisory approval of whether Shareholders should vote on the Company's Executive Compensation ("Say on Pay") proposal every one, two, or three years;
4. to ratify the appointment of Elliott Davis, LLC as the Company's independent registered public accounting firm for the year ended December 31, 2019;
5. to transact such other business as may properly come before the Annual Meeting or any adjournment of the meeting.

The Board of Directors set the close of business on February 28, 2019 as the record date to determine the Shareholders who are entitled to vote at the Annual Meeting. Under rules of the Securities and Exchange Commission, we are providing access to our proxy materials by sending you this full set of proxy materials, including a proxy card, and notifying you of the availability of our proxy materials on the Internet.

Although we would like each Shareholder to attend the Annual Meeting, we realize that for some of you this is not possible. Whether or not you plan to attend the Annual Meeting, we encourage you to vote as soon as possible through the Internet, by telephone or by signing, dating and mailing your proxy card in the enclosed postage-paid envelope. Internet voting permits you to vote at your convenience, 24 hours a day, seven days a week. For specific instructions on voting, please refer to the instructions on the enclosed proxy card.

Our 2019 Proxy Statement and Annual Report for the year ended December 31, 2018 are available free of charge at <http://www.banksc.com> and <http://www.proxyvote.com>.

Your vote is very important, and I appreciate the time and consideration that I am sure you will give it.

On behalf of the Board of Directors

/s/ Richard W. Hutson, Jr.

Richard W. Hutson, Jr., Secretary

March 4, 2019

**PROXY STATEMENT**

**FOR**

**THE ANNUAL MEETING OF SHAREHOLDERS**

**OF BANK OF SOUTH CAROLINA CORPORATION**

**TO BE HELD ON APRIL 9, 2019**

**PROXY STATEMENT**

The Board of Directors of the Bank of South Carolina Corporation (the "Company") are using this Proxy Statement to solicit Proxies from its Shareholders for the 2019 Annual Meeting of Shareholders. The Company is making this Proxy Statement and the enclosed form of Proxy available to its Shareholders on or about March 4, 2019.

The information provided in this Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. The Board encourages you to read it carefully.

**INFORMATION ABOUT THE ANNUAL MEETING**

**Time and Place of the Annual Meeting**

The Annual Meeting will be held as follows:

**Date:** Tuesday, April 9, 2019

**Time:** 2:00 p.m. Eastern Standard Time

**Place:** The Bank of South Carolina, 256 Meeting Street, Charleston, South Carolina

**Matters to be Considered at the Annual Meeting**

At the meeting, you will be asked to consider and vote upon the following proposals:

**Proposal 1:** To elect eighteen Directors of Bank of South Carolina Corporation to serve until the Company's 2020 Annual Meeting of Shareholders;

**Proposal 2:** To obtain advisory approval of the Company's Executive Compensation;

**Proposal 3:** To obtain advisory approval of whether Shareholders should vote on the Company's Executive Compensation ("Say on Pay") proposal every one, two, or three years;

**Proposal 4:** To ratify the appointment by the Audit & Compliance Committee of the Company's Board of Directors of Elliott Davis, LLC as the Company's independent registered public accounting firm for the year ended December 31, 2019;

**Proposal 5:** To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

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

**FOR THE SHAREHOLDERS' MEETING TO BE HELD APRIL 9, 2019**

This Proxy Statement (providing important information for the Annual Meeting) and the Company's Annual Report (which includes its Annual Report on Form 10-K as filed with the Securities and Exchange Commission) accompany this Notice. The Proxy Statement and 2018 Annual Report to Shareholders are available at <http://www.banksc.com> and at <http://www.proxyvote.com>.

## Who is Entitled to Vote?

The Board of Directors of the Company has fixed the close of business on February 28, 2019, as the record date for Shareholders entitled to notice of and to vote at the Annual Meeting of Shareholders. Only holders of record of Bank of South Carolina Corporation's Common Stock on that date are entitled to notice of and to vote at the Annual Meeting. Each Shareholder is entitled to one vote for each share of Bank of South Carolina Corporation Common Stock that the Shareholder owns; provided, however, that the Shareholders have cumulative voting rights for the election of Directors. The right to cumulate votes means that the Shareholders are entitled to multiply the number of votes they are entitled to cast by the number of Directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates. On February 15, 2019, there were 5,515,515 shares of Bank of South Carolina Corporation's Common Stock outstanding and entitled to vote at the Annual Meeting.

## How Do I Vote?

If you are the "record holder" of your shares, meaning that you own your shares in your own name and not through a bank, broker or other nominee, you may vote in one of four ways.

1. ***You may vote over the Internet.*** If you have Internet access, you may vote your shares from any location in the world by following the "Vote by Internet" instructions on the enclosed proxy card.
2. ***You may vote by telephone.*** You may vote your shares by following the "Vote by Telephone" instructions on the enclosed proxy card.
3. ***You may vote by mail.*** You may vote by completing and signing the proxy card enclosed with this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States.
4. ***You may vote in person.*** If you attend the Annual Meeting, you may vote by delivering your completed proxy card in person.

## How Do I Vote at the Annual Meeting?

Proxies are solicited to provide all Shareholders of record on the voting record date an opportunity to vote on matters scheduled for the Annual Meeting and described in these materials. You are a Shareholder of record if your shares of Bank of South Carolina Corporation Common Stock are held in your name. If you are a beneficial owner of Bank of South Carolina Corporation Common Stock held by a broker, bank or other nominee (i.e., in "street name"), please see the instructions in the following question.

Shares of Bank of South Carolina Corporation Common Stock can only be voted if the Shareholder is present in person or by Proxy at the Annual Meeting. To ensure your representation at the Annual Meeting, the Board recommends that you vote by Proxy even if you plan to attend the Annual Meeting. You can always change your vote at the meeting if you are a Shareholder of record.



Voting instructions are included in this material. Shares of Bank of South Carolina Corporation Common Stock represented by properly executed Proxies will be voted by the individuals named on the Proxy (selected by The Board of Directors) in accordance with the Shareholder's instructions. Where properly executed Proxies are returned with no specific instructions as how to vote at the Annual Meeting, the persons named in the Proxy will vote the shares **"For"** the proposals as recommended by the Board of Directors. If any other matters are properly presented at the Annual Meeting for action, the persons named in the enclosed Proxy and acting thereunder will have the discretion to vote on these matters in accordance with their best judgment.

As a Shareholder of Bank of South Carolina Corporation Common Stock, you may receive more than one Proxy card depending on how your shares are held. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children. In this case, you will receive three separate Proxy cards to vote.

### **What if My Shares Are Held in Street Name?**

*If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of Director Nominees. In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of Directors, your bank or broker was allowed to vote those shares on your behalf as they deemed appropriate. Due to changes in regulations, your bank or broker no longer has the ability to vote your uninstructed shares on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of Directors, no votes will be cast on your behalf.*

If your shares are held in street name, you will need proof of ownership to be admitted to the Annual Meeting. A recent brokerage statement or a letter from the record holder of your shares, are examples of proof of ownership. If you want to vote your shares of Common Stock held in street name in person at the Annual Meeting, you will have to get a written Proxy in your name from the broker, bank or other nominee who holds your shares.

The solicitation of Proxies on behalf of the Board of Directors is conducted by Directors, officers and regular employees of the Company and its wholly owned subsidiary, The Bank of South Carolina (the "Bank"), at no additional compensation over regular salaries. The cost of printing and mailing of all Proxy materials has been paid by the Company. Brokers and others involved in handling and forwarding the Proxy materials to their customers having beneficial interests in the stock of the Company registered in the names of Nominees will be reimbursed for their reasonable expenses in doing so.

### **How Many Shares Must Be Present to Hold the Meeting?**

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by Proxy, of at least a majority of the shares of Bank of South Carolina Corporation Common Stock entitled to vote at the Annual Meeting as of the record date shall constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

### **What if a Quorum is Not Present at the Meeting?**

If a quorum is not present at the scheduled time of the meeting, a majority of the Shareholders present or represented by Proxy may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given unless the meeting is adjourned for 30 days or more. An adjournment will have no effect on the business that may be conducted at the meeting.

### **Will Cumulative Voting Apply for the Election of Directors?**

The solicitation of Proxies on behalf of the Board of Directors includes a solicitation for discretionary authority to cumulate votes.

### **How will votes be counted?**

With respect to all proposals, shares will not be voted in favor of the matter, and will not be counted as voting on the matter, if they either (1) abstain from voting on a particular matter, or (2) are "broker non-votes." Banks, brokers and other nominees who do not receive instructions with respect to Proposals 1, 2, 3, or 4 will not be allowed to vote these shares, and all such shares will be "broker non-votes" rather than votes "for" or "against." Accordingly, abstentions and "broker non-votes" for a particular proposal will not be counted as votes cast to determine the outcome of a particular proposal. With respect to Proposal 1, the election of Directors of the Company, cumulative voting will be allowed and election will be by plurality of votes cast. With respect to Proposal 2, 3, and 4, each will be approved if more votes are cast for the proposal than votes cast against.

**May I Revoke My Proxy?**

Any Shareholder executing a Proxy for the meeting on the Proxy Form provided may revoke the Proxy in writing delivered to the President of the Company prior to the meeting or by attending the meeting and voting in person.

3

**PROPOSAL 1: ELECTION OF DIRECTORS:**

Our by-laws provide for a Board of Directors consisting of not fewer than 15 individuals and not more than 25 individuals. The number of Directors may be increased or decreased from time to time by majority vote of the Board of Directors or the Shareholders.

The Board of Directors proposes that the eighteen nominees described below be elected for a new term expiring at the 2020 Annual Meeting of Shareholders or until their respective successors are duly elected and qualified. Each nominee has agreed to serve if elected. If any named nominee is unable to serve, the Board of Directors, upon the recommendation of the Nominating Committee, may select different nominees for election as Directors.

The name of each Nominee designated by the Board of Directors of the Company for election as a Director of the Company and certain information provided by such Nominee to the Company are set forth in the table below. Hugh C. Lane, Jr, an executive officer, Charles G. Lane, and William L. Hiott, Jr served as initial Directors of the Bank from October 22, 1986, when the Bank's charter was issued until the first Annual Meeting of Shareholders on April 14, 1987, and were elected to serve a one-year term at such Annual Meeting and subsequent Annual Meetings. Hugh C. Lane, Jr, an executive officer, Charles G. Lane, and William L. Hiott, Jr were elected Directors of the Company upon its organization in 1995. Alan I. Nussbaum, MD was elected as a Director of the Company during 1999 and was elected to serve one-year terms at subsequent Annual Meetings. Dr. Linda J. Bradley McKee, CPA was elected as a Director of the Company during 2002 and was elected to serve one-year terms at subsequent Annual Meetings. Graham M. Eubank, Jr., Richard W. Hutson, Jr. and Malcolm M. Rhodes, MD were elected pursuant to the By-Laws of the Company on December 16, 2004, and were elected to serve one-year terms at subsequent Annual Meetings. Fleetwood S. Hassell, an executive officer, was elected by the Shareholders on April 11, 2006 at the Annual Meeting, and was elected to serve one-year terms at subsequent Annual Meetings. Glen B. Haynes, DVM was elected by the Shareholders on April 10, 2007, at the Annual Meeting and was elected to serve one-year terms at subsequent Annual Meetings. David W. Bunch was elected by the Shareholders on April 14, 2009, at the Annual Meeting and was elected to serve one-year terms at subsequent Annual Meetings. Sheryl G. Sharry was elected by the Shareholders on April 13, 2010, and was elected to serve one-year terms at subsequent Annual Meetings. Steve D. Swanson served on the Board from 2002 to 2007. Mr. Swanson rejoined the Board of Directors after being elected by the shareholders on April 12, 2011, and was elected to serve one-year terms at subsequent Annual Meetings. Douglas H. Sass, an Executive Officer, and Elizabeth M. Hagood were elected by the Shareholders on April 9, 2013, and were elected to serve a one-year term at subsequent Annual Meetings. Karen J. Phillips was elected to serve on the Board of Directors by the Shareholders on April 11, 2017. Susanne K. Boyd and Eugene H. Walpole, IV, Executive Officers, were elected by the Shareholders on April 10, 2018.

The Board of Directors believes that it is necessary for each of our Directors to possess many qualities and skills. When searching for new candidates, the Nominating Committee considers the evolving needs of the Board of Directors and searches for candidates that fill any current or anticipated future gap. The Board of Directors also believes that all Directors must possess a considerable amount of business management (such as experience as a Chief Executive Officer or Chief Financial Officer) and educational experience. The Nominating Committee first considers management experience and then considers issues of judgment, background, stature, conflicts of interest, integrity, ethics, and commitment to the goal of maximizing Shareholder value when considering Director candidates. The Nominating Committee focuses on issues of diversity, such as diversity in gender, race and national origin, education, professional experience and differences in viewpoints and skills. The Nominating Committee does not have a formal policy with respect to diversity; however, the Board of Directors and the Nominating Committee believe that it is essential that the Board Members represent diverse viewpoints. In considering candidates for the Board of Directors, the Nominating Committee considers the entirety of each candidate's credentials in the context of these standards. With respect to the nomination of continuing Directors for re-election, the individual's contributions to the Board are also considered.

Certain information with respect to each of the nominees is set forth below, including his or her principal occupation, qualifications, and directorships during the past five years. The nominees were each recommended to the Board of Directors by the Nominating Committee whose goal is to assemble a Board that operates cohesively, encourages candid communication and discussion, and focuses on activities that help us maximize Shareholder value. The Nominating Committee also looks at the individual strengths of Directors, their ability to contribute to the Board, and whether their skills and experience complement those of the other Directors.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” EACH OF THE NOMINEES.**

**Executive Officer Directors and Nominees**

**Susanne K. Boyd Age 42 First elected to the Board 2018**

Ms. Boyd has been with the Bank since 1997 and has served as the Courier Teller, Check Card Specialist, Electronic Banking Officer, Information Security Officer, Assistant Vice President, Vice President, and Senior Vice President of Operations and Technology. She has served as the Chief Operating Officer for the Bank and the Corporation since November 2015 and was named Executive Vice President for the Bank and Corporation in December 2017. Ms. Boyd is a graduate of College of Charleston, South Carolina Bankers School and Georgia Bankers Association Southern Operations and Technology School. She has received training in Information Security, Administration of the Bank’s core system, Internet Banking Compliance and Cyber Crime and is a Certified Regulatory Vendor Program Manager. Ms. Boyd has served on the South Carolina Bankers Association Operations Committee and has been a member of the Infragard South Carolina Chapter. Ms. Boyd serves on the Executive/Long-Range Planning Committee and Asset Liability/Investment Committee.

The Nominating Committee recommends the re-election of Ms. Boyd to the Board of Directors given her broad and unique experience in banking, in-depth knowledge of the technology and its risks related to banks, and continued commitment to the success of the Company.

**Fleetwood S. Hassell Age 59 First elected to the Board 2006**

Mr. Hassell has been with the Bank since its organization in 1986. During his career of over thirty five years in banking, Mr. Hassell has held the position of Assistant Vice President, Vice President, Senior Vice President, Executive Vice President, Senior Lender, and now, the President/Chief Executive Officer. Born and raised in Charleston, SC, Mr. Hassell earned a BS and MBA from the University of South Carolina School of Business. He was elected to the Board of Directors of the Bank and the Company in 2006. Currently, Mr. Hassell serves on the College of Charleston Foundation Board, the Association of the Blind and Visually Impaired Board, the South Carolina Bankers Association Board, and the Trident United Way Board. Mr. Hassell previously served on the South Carolina State Board of Financial Institutions. Mr. Hassell serves on the Executive/Long-Range Planning Committee, Asset Liability/Investment Committee, Community Reinvestment Act Committee, and Loan Committee.

Given Mr. Hassell’s experience in banking, his strong background in commercial lending and business development and his current participation and contributions made to the Board of Directors and its committees, the Nominating Committee recommends his re-election to the Board.

**Hugh C. Lane, Jr. Age 71 First elected to the Board 1995**

Mr. Lane, brother of Charles G. Lane, organized the Bank in 1986, where he served as President/Chief Executive Officer of the Bank from 1986 until 2012. He served as Chairman of the Board of Directors of the Bank since its organization in 1986, and Chairman of the Board of Directors of the Company since its organization in 1995. Mr. Lane was born in Charleston, SC. He earned a BA in economics from the University of Pennsylvania. Mr. Lane began his banking career at Citizens and Southern National Bank of Georgia in Atlanta. His banking career also included working in the Bond, Leasing, and International Departments at the Chemical Bank in New York, City Executive of Citizens and Southern National Bank, Sumter South Carolina, and Executive Vice President, heading the Citizens and Southern National Bank’s Southern Region. Mr. Lane also served on the Board of Directors of Citizens and Southern National Bank of South Carolina for 14 years. Mr. Lane formerly served as an Administrator and Trustee of the Bank of South Carolina Employee Stock Ownership Plan and Trust. In addition to his responsibilities at The Bank of South Carolina, Mr. Lane is currently the Chairman of the Charleston County Conservation Board, Vice Chairman of the Baruch Foundation, and Treasurer of Board of Trustees of Ashley Hall School. He has been the recipient of Honorary Doctorates from Charleston Southern University, The Citadel, and Wofford College. He has also received the

“Distinguished Citizen Award” from Wofford College National Alumni Council, the Avery Citizenship Award for outstanding community service, the Joseph P. Riley Leadership Award, and the Order of the Palmetto presented by the Governor of South Carolina. In 2015, Mr. Lane was inducted into the South Carolina Business Hall of Fame. Mr. Lane serves on the Executive/Long-Range Planning Committee, Asset Liability/Investment Committee, Community Reinvestment Act Committee, and Loan Committee.

The Nominating Committee recommends the re-election of Mr. Lane to the Board of Directors based on his unique and valuable perspective relevant to our Bank’s business and financial performance and strong commitment to the local community. In addition, the Committee considered his current contribution to the Board and his continued devotion to serving the Shareholders of the Company.

**Douglas H. Sass Age 61 First Elected to the Board 2013**

Mr. Sass joined the Bank in January 1994. He has thirty five years of experience in banking and oversaw the implementation of the Bank's Real Estate Appraisal Review Program. He has served in various officer level positions at the Bank, including Security Officer, Appraisal Officer, and CRA Officer before becoming Executive Vice President and Senior Lender in April of 2012. Additionally, he oversees the Bank's Loan Department, Credit Department, and Mortgage Origination Department. Mr. Sass serves as an Administrator and Trustee of the Bank of South Carolina Employee Stock Ownership Plan and Trust. Mr. Sass is a native of Charleston and a graduate of The Citadel with a degree in Business Administration. He is a graduate of the South Carolina Bankers School at the University of South Carolina and The Graduate School of Bank Management at the University of Virginia. Mr. Sass currently serves as President of The Charleston Museum and is a member of the Board of the Regents Tri-County Family Ministries and is active in other various civic organizations. Mr. Sass serves on the Executive/Long-Range Planning Committee, Asset Liability/Investment Committee, Community Reinvestment Act Committee, and Loan Committee.

Based on Mr. Sass's experience in banking, appraisals, his robust background in commercial lending and business development, and his continued devotion to the success of the Company, the Nominating Committee recommends his re-election to the Board.

**Eugene H. Walpole, IV Age 34 First elected to the Board 2018**

Mr. Walpole joined the Bank in September 2012. Since that time, he has served as an Assistant Vice President, Vice President, and Senior Vice President in the role of Risk Management Officer. In March 2016, Mr. Walpole was named Chief Financial Officer of the Bank and Corporation and, in December 2017, was named Executive Vice President of the Bank and Corporation. Mr. Walpole also serves as Administrator and Trustee of the Bank of South Carolina Employee Stock Ownership Plan and Trust. Prior to joining the Bank, Mr. Walpole spent four years performing financial statement audits, regulatory filing reviews, and Sarbanes-Oxley 404 compliance testing for publicly traded and privately held financial institutions. Mr. Walpole is a Charleston native and graduate of Presbyterian College, University of South Carolina, and South Carolina Bankers School. He holds the designations of Certified Public Accountant, Certified Financial Services Auditor, and Certification in Risk Management Assurance. Mr. Walpole has served on various committees of the South Carolina Bankers Association and is an active member of the local community. He currently serves as a board member of the Lowcountry Land Trust and the Coastal Conservation Association of South Carolina. Mr. Walpole serves on the Executive/Long-Range Planning Committee, Asset Liability/Investment Committee, Community Reinvestment Act Committee, and Loan Committee.

The Nominating Committee recommends the re-election of Mr. Walpole to the Board of Directors given his experience in banking, in-depth knowledge of the financials of the Company, commitment to the local community, and continued devotion to the success of the Company.

**Non-Employee Directors**

**David W. Bunch Age 68 First elected to the Board 2009**

Mr. Bunch has been a member of the Board of Directors of the Bank and the Company since 2009. He was born in Charleston, South Carolina and graduated from Clemson University. He has been employed by XO Bunch Organizations since 1973, serving as President, Hughes Motors, Inc.; Vice-President, Bunch Leasing Co.; Vice-President, Florence Truck Center, Inc.; Partner, Bunch Truck & Equipment, LLC; Partner, Bunch & Sons-Real Estate; Managing member, Wando Properties, LLC; and President, Double D Leasing Co., Inc. In addition to serving on the Board of Directors of the Bank and Company, Mr. Bunch serves as Chairman of the Loan Committee and Community Reinvestment Act Committee and also serves on the Audit & Compliance Committee.



The Nominating Committee recommends the re-election of David Bunch to the Board of Directors based on his valuable knowledge of business and his participation on the Loan, Community Reinvestment Act, and Audit & Compliance Committees.

**Graham M. Eubank, Jr. Age 51 First elected to the Board 2005**

Mr. Eubank has been a member of the Board of Directors of the Bank and the Company since 2005. He was born in Fayetteville, North Carolina and raised in Charleston, South Carolina. He received a BS in Management from Clemson University. He is also a graduate of the National Automobile Dealers Association Dealer Candidate Academy. In 1992, Mr. Eubank began working with his family's business, Palmetto Ford, Inc., where he has held various positions including New Car Sales Manager, Used Car Sales Manager and Parts and Service Director. Currently Mr. Eubank is President and CEO of the Palmetto Car and Truck Group which is comprised of Ford, Lincoln, Mama's Used Cars and Quick Lane Auto and Tire Center. In addition to serving on the Board of Directors of the Bank and the Company, Mr. Eubank currently serves on the Nominating Committee and is the Chairman of the Compensation Committee.

As a local business owner, Mr. Eubank provides an important perspective on economic issues relevant to our community and company, which is why the Nominating Committee recommends Mr. Eubank for re-election to the Board of Directors.

**Elizabeth M. Hagood Age 57 First elected to the Board 2013**

Mrs. Hagood is the former Executive Director of the Lowcountry Land Trust. Mrs. Hagood grew up in Charlotte, NC and graduated from Davidson College with a BA in 1983 and the Darden School of Business at the University of Virginia with a MBA in 1989. Mrs. Hagood currently serves on the Boards of the Preservation Society of Charleston, Life Resources, Inc., Open Space Institute Advisory Board, Lowcountry Open Land Trust, and the Charleston County Greenbelt Advisory Board. In addition to serving on the Board of Directors of the Bank and Company, Ms. Hagood serves on the Loan Committee, Community Reinvestment Act Committee, and the Nominating Committee.

Her education, distinct perspective on social responsibility and diversity, experience on various committees within the organization, and continued service to the Charleston community through her leadership roles in various organizations, led the Nominating Committee to recommend Mrs. Hagood for re-election to the Board of Directors.

**Glen B. Haynes, DVM Age 64 First elected to the Board 2007**

Dr. Haynes has been a member of the Board of Directors of the Bank and the Company since 2007. He was born in Charlottesville, Virginia and has lived in Summerville, South Carolina for 33 years. He graduated from Virginia Tech with a BS in Biology. He received a DVM from the University of Georgia. In addition to serving on the Board of Directors of the Bank and the Company, Dr. Haynes has served as President of the Summerville Rotary Club, President of Frances Willis SPCA, Chairman of the South Carolina Board of Veterinary Medical Examiners, and President of Trident Veterinary Medical Association. Dr. Haynes is a member of the American Veterinary Medical Association and a member of St. Paul's Anglican Church where he has served on the vestry. Currently, Dr. Haynes is Chairman of the Frances Willis SPCA Endowment Board and is a construction volunteer for Habitat for Humanity. In addition to serving on the Board of Directors of the Bank and Company, Dr. Haynes serves on the Loan Committee, Community Reinvestment Act Committee, and the Nominating Committee.

In recommending Dr. Haynes for re-election to the Board of Directors, the Nominating Committee considered this experience as well as his strong ties to the Summerville community and his work ethic demonstrated in running his own practice.

**William L. Hiott, Jr. Age 74 First elected to the Board 1995**

Mr. Hiott was with the Bank from its organization in 1986 until his retirement in 2011. He held various positions including the Executive Vice President and Cashier of the Bank and the Executive Vice President and Treasurer of the Company. He has served on the Board of Directors of the Bank since its organization in 1986 and the Company since its organization in 1995. He received a BS in Accounting from Charleston Southern University and is a graduate of South Carolina Bankers School and the University of Wisconsin's Bank Administration Graduate School. Mr. Hiott is a member of the Board of Directors of the Harry Hampton Wildlife Fund. In addition to serving on the Board of Directors of the Bank and Company, Mr. Hiott serves on the Asset Liability/Investment Committee, Community Reinvestment Act Committee, Loan Committee, Audit & Compliance Committee, Executive/Long-Range Planning Committee, and Compensation Committee.

The Nominating Committee recommends Mr. Hiott for re-election to the Board of Directors based on his experience in banking, in-depth knowledge of the financials of the Company, his strong commitment to the local community, and his current contributions to the Board of Directors.

**Richard W. Hutson, Jr. Age 62 First elected to the Board 2005**

Mr. Hutson has been a member of the Board of Directors of the Bank and Company since 2005. He received a BA from The University of the South. Mr. Hutson is the Manager of William M. Means Insurance Company. Mr. Hutson has served on the Boards of the South Carolina Historical Society and the Historic Charleston Foundation. He has served as President of the South Carolina Historical Society. Mr. Hutson serves on the Asset Liability/Investment Committee in addition to the Board of Directors of the Bank and Company.

The Nominating Committee recommends Mr. Hutson for re-election to the Board due to his business experience, commitment to the Bank and Company and strong ties to the Charleston community.

**Charles G. Lane Age 64 First elected to the Board 1995**

Mr. Lane is the brother of Hugh C. Lane, Jr. and has been a member of the Board of Directors of the Bank since its organization in 1986, and a member of the Board of Directors of the Company since its organization in 1995 and has devoted nearly thirty years to ensuring the success of the Company. He is a graduate of Clemson University. Mr. Lane is a Managing Member of Holcombe, Fair and Lane, LLC - a commercial real estate company. He serves on the Board of Directors of the Center for Humans and Nature. He currently serves on the Executive/Long-Range Planning Committee, Asset Liability/Investment Committee, Loan Committee, and Community Reinvestment Act Committee.

Mr. Lane's expertise in the real estate market and the local community have been valuable to the Board in its decision-making and is why the Nominating Committee recommends his re-election.

**Linda J. Bradley McKee, PhD, CPA Age 68 First elected to the Board 2002**

Dr. McKee has been a member of the Board of Directors of the Bank and Company since 2002. Dr. McKee earned a BS in Mathematics from the University of Texas at Arlington, a MS in Accounting from Texas Tech, and a PhD in Accounting from the University of North Texas. She is an Adjunct Professor of Accounting at the College of Charleston as well as President of the Charleston Estate Planning Council and Program Director of Charleston Tax Roundtable. In addition to serving on the Board of Directors of the Bank and the Company, Dr. McKee serves on the Audit & Compliance Committee.

Dr. McKee is considered by the Board of Directors to be a financial expert under applicable guidelines of the Securities and Exchange Commission. She has an extensive background in accounting and taxation and has been an asset to the Board of Directors and the Audit & Compliance Committee. For the above reasons, the Nominating Committee recommends Dr. McKee for re-election to the Board of Directors.

**Alan I. Nussbaum, MD Age 67 First elected to the Board 1999**

Dr. Nussbaum has been a member of the Board of Directors of the Bank since 1999. He received a BA from Johns Hopkins University and a MD from Harvard Medical School. Dr. Nussbaum completed his internship and residency in Internal Medicine at Duke University Medical Center. In addition, Dr. Nussbaum completed a Fellowship in Rheumatology and Immunology at the Medical University of South Carolina and has practiced rheumatology in Charleston since 1982. Dr. Nussbaum serves as a Lead Director of the Bank and Company. He is the Chairman of the Executive/Long-Range Planning Committee and serves on the Asset Liability/Investment Committee and Compensation Committee.

The Nominating Committee recommends the re-election of Dr. Alan Nussbaum to the Board of Directors based on the commitment that he has made to the Board of Directors, community involvement, and knowledge of the Company.

**Karen J. Phillips Age 58 First elected to the Board 2017**

Mrs. Phillips received a BA in Political Science from The University of the South and an MBA in Finance from The University of South Carolina. She is a Certified Financial Planner ® and is President of Atlantic Coast Asset Management, Inc., a financial management firm. She is a member of the Board of Directors of Kanuga Conferences, Inc. and Life Resources, Inc., and the past Chairman of the Board of Trustees of Ashley Hall School, where she currently serves as a Trustee. In addition to serving on the Board of Directors of the Bank and Company, Mrs. Phillips serves on the Audit & Compliance Committee, Loan Committee, and Community Reinvestment Act Committee.

The Nominating Committee recommends Mrs. Phillips for re-election due to her leadership within the community, financial expertise, and unique perspective relevant to financial performance.

**Malcolm M. Rhodes, MD Age 60 First elected to the Board 2005**

Dr. Rhodes has been a member of the Board of Directors of the Bank and Company since 2005. He received a BA from Duke University and a MD from the Medical University of South Carolina. He is a Fellow of the American Board of Pediatrics and has been a partner at Parkwood Pediatric Group since 1988. He is on the clinical faculty at MUSC and Bon-Secours St. Francis Hospitals. In addition to serving on the Board of Directors of the Bank and the Company, Dr. Rhodes represents South Carolina on the Atlantic States Marine Fisheries Commission.

The Nominating Committee recommends the re-election of Dr. Rhodes to the Board of Directors based on his knowledge of business including running a medical practice and involvement with several local hospitals.

**Sheryl G. Sharry Age 64 First elected to the Board 2010**

Mrs. Sharry was with the Bank since its organization in 1986 until her retirement in 2014. She held various positions in the Bank, including but not limited to Assistant Vice President – Operations Department, Vice President – Operations & Technology, Senior Vice President – Operations & Technology, and Chief Financial Officer/Executive Vice President. Mrs. Sharry serves as a Trustee of the Bank of South Carolina Employee Stock Ownership Plan and Trust. Mrs. Sharry became a member of the Board of Directors of the Bank and Company in 2010. She is a graduate of the College of Charleston, South Carolina Bankers School, and the School of Bank Investments and Financial Management. In addition to serving on the Board of Directors of the Bank and the Company, Mrs. Sharry serves on the Executive/Long-Range Planning Committee and Asset Liability/Investment Committee.

Mrs. Sharry is recommended for re-election to the Board of Directors by the Nominating Committee based on her strong background in operations and technology of the Company, experience in banking, valuable knowledge of

financial reporting and performance of the Company, and continued devotion to the success of the Company.

**Steve D. Swanson Age 51 First elected to the Board 2002-2007; Re-elected 2011**

Mr. Swanson founded Automated Trading Desk, a pioneering electronic trading firm based in South Carolina. As President and CEO, Mr. Swanson grew the business from pure proprietary trading to creating a fully automated market maker servicing the broker-dealer community. After its acquisition by Citigroup in 2007, Mr. Swanson became responsible for global equity and option electronic trading operations. Mr. Swanson serves on the Board of MedTrust Medical Transport, Trident United Way, Charleston Angel Partners, the College of Charleston Foundation, the College of Charleston School of Business Board, the Honors College Advisory Board, and the Board of Trustees of South Carolina State University. Mr. Swanson previously served on the Board of SnapCap. In addition to serving on the Board of Directors of the Bank and the Company, Mr. Swanson serves as the Chairman of the Audit & Compliance Committee and serves on the Executive/Long-Range Planning Committee.

Based on Mr. Swanson's extensive experience in both starting and running a business, valuable perspective on economic issues relevant to our Company, professional perception on financial reporting, and his extensive community involvement, the Nominating Committee recommends Mr. Swanson for re-election to the Board of Directors.

**SECURITY OWNERSHIP OF CERTAIN****BENEFICIAL OWNERS AND MANAGEMENT**

The following tables set forth, as of December 31, 2018, information regarding share ownership of:

those persons or entities (or groups of affiliated persons or entities) known by management to beneficially own more than five percent of our common stock;  
 each non-employee Director; and  
 each employee Director (including Director nominees).

Persons and groups who beneficially own more than five percent of our common stock are required to file with the Securities and Exchange Commission (“SEC”), and provide us, reports disclosing their ownership pursuant to the Securities Exchange Act of 1934 (“Exchange Act”). To the extent known to the Board of Directors, no other person or entity, other than those set forth below, beneficially owned more than five percent of the outstanding shares our common stock as of the close of business on December 31, 2018.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In accordance with Rule 13d(3) of the Exchange Act, a person is deemed the beneficial owner of any shares of Common Stock if he or she has voting and/or investment power with respect to those shares. Therefore, the tables below includes shares owned by spouses, other immediate family members in trust, shares held in retirement accounts or funds for the benefit of the named individuals, and other forms of ownership over which shares the persons named in the table may possess voting and/or investment power.

The table below shows the security ownership of certain beneficial owners of more than 5 percent of any class of Common Stock.

<b>Title of class</b>	<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Common Stock	Hugh C. Lane, Jr. <sup>(1)</sup> 256 Meeting Street Charleston, South Carolina 29401 The Bank of South Carolina Employee Stock Ownership	820,108 (2)	14.19 %
Common Stock	Plan and Trust (“the ESOP”) 256 Meeting Street Charleston, South Carolina 29401	308,613 (3)	5.34 %

The table below shows the security ownership of management, directors, and nominees.

Title of class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership
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