

UNITED COMMUNITY BANKS INC
Form DEF 14A
March 24, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement

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

- Definitive Proxy Statement

- Definitive Additional Materials

- Soliciting Material under §240.14a-12

United Community Banks, Inc.

(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.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

- Title of each class of securities to which transaction applies:

(2)

- Aggregate number of securities to which transaction applies:

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- Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- Total fee paid:

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(1)

- Amount Previously Paid:

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- Form, Schedule or Registration Statement No.:

(3)

- Filing Party:

(4)

- Date Filed:
-

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125 HIGHWAY 515 EAST
BLAIRSVILLE, GEORGIA 30514-0398

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held on May 14, 2014

The Annual Meeting of Shareholders of United Community Banks, Inc. will be held on May 14, 2014 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia:

1.
 - To elect eight directors to constitute the Board of Directors to serve until the next annual meeting and until their successors are elected and qualified.
2.
 - To approve an advisory “say on pay” resolution supporting the compensation plan for executive officers.
3.
 - To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2014.
4.
 - To consider and act upon other matters that may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 15, 2014 will be entitled to notice of, and to vote at, the meeting. A proxy statement and a proxy solicited by the Board of Directors are enclosed.

We have elected to provide access to our proxy materials over the Internet under the Securities and Exchange Commission’s “notice and access” rule to help conserve resources and reduce printing and distribution costs. We will be mailing a Notice of Internet Availability of Proxy Materials (“Notice”) to our shareholders, instead of a paper copy of our proxy materials, which include this proxy statement, our 2013 Annual Report to Shareholders and our Annual Report on Form 10-K for the year ended December 31, 2013, with instructions on how to access such proxy materials over the Internet.

To ensure that your vote is recorded promptly, please vote as soon as possible. Many shareholders of record have multiple options for submitting their vote before the meeting. You may vote via the Internet (see the instructions on the Notice). Or, if you are a registered shareholder and have not voted online by April 14, 2014, you will receive a second mailing with the proxy card and instructions on how to vote (1) by telephone if you reside in the United States, Canada or the U.S. territories, or (2) by completing, signing and mailing the accompanying proxy card in the postage-paid envelope to be provided. If you have Internet access, we encourage you to record your vote on the Internet. It is convenient and it saves significant postage and processing costs. If you attend the meeting you may, if you wish, withdraw your proxy and vote in person.

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If your shares are held in "street name," meaning that your shares are held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

BY ORDER OF THE BOARD OF DIRECTORS,

Jimmy C. Tallent,
President and Chief Executive Officer

April 4, 2014

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE BY TELEPHONE, INTERNET, OR COMPLETE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY SO THAT YOUR VOTE MAY BE RECORDED.

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April 4, 2014

125 HIGHWAY 515 EAST
BLAIRSVILLE, GEORGIA 30514-0398

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of United Community Banks, Inc. for use at the 2014 Annual Meeting of Shareholders to be held on Wednesday, May 14, 2014 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia, and at any adjournments or postponements of the Annual Meeting.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will act upon the matters set forth in the accompanying notice of meeting, including the:

1.
 - Election of eight directors to constitute the Board of Directors to serve until the next annual meeting and until their successors are elected and qualified;
2.
 - Approval of an advisory “say on pay” resolution supporting the compensation plan for executive officers; and
3.
 - Ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2014.

Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (the “SEC”), we may furnish our proxy materials, which include this proxy statement, our 2013 Annual Report to Shareholders and our Annual Report on Form 10-K for the year ended December 31, 2013, to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. These materials or notice of online materials availability was first sent or given to shareholders on April 4, 2014.

All shareholders will have the ability to access the proxy materials via the Internet by going to www.ucbi.com/2014proxy or request to receive a printed set of such proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found on the Notice.

If you are a registered shareholder and have not voted your proxy online by April 14, 2014, you may automatically receive a proxy voting card by mail. At that time, you may also vote by telephone or mail by following the instructions provided in this proxy statement.

Who is entitled to vote?

All shareholders of record of United’s Common Stock at the close of business on March 15, 2014, which is referred to as the record date, are entitled to receive notice of the Annual Meeting and to vote the shares of Common Stock held

by them on the record date. Each outstanding share of Common Stock entitles its holder to cast one vote for each matter to be voted upon.

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How do I cast my vote?

If you hold your shares of Common Stock in your own name as a holder of record and you have Internet access, United prefers that you vote your shares via the Internet by going to www.proxy.ilstk.com and selecting “Shareholder Services” and then “Internet Voting.” Alternatively, you may vote your shares by telephone if you reside in the United States, Canada or the U.S. territories, or by marking, signing, dating and returning the proxy card in the postage-paid envelope provided to you, or you may vote in person at the Annual Meeting. If your shares of Common Stock are held in “street name,” meaning that your shares are held for your account by a broker, bank or other nominee, you will receive instructions from your nominee which you must follow in order to have your shares voted.

Proxies that are executed and returned or submitted through the Internet, but do not contain any specific instructions on any proposal, will be voted “FOR” the proposals specified herein.

What are the quorum and voting requirements?

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. As of the record date, there were 49,368,394 shares of Common Stock outstanding and entitled to vote at the Annual Meeting.

The required vote for each item of business at the Annual Meeting is as follows:

1.

- For the election of directors, those nominees receiving the greatest number of votes at the Annual Meeting shall be deemed elected, even though the nominees may not receive a majority of the votes cast. However, as described in “Corporate Governance — Majority Vote Requirement,” under certain circumstances, nominees who are elected receiving less than a majority vote may be asked to resign;

2.

- For the approval of the advisory “say on pay” resolution supporting the compensation plan for the executive officers, the vote of a majority of the shares voted on the matter;

3.

- For the ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2014, the vote of a majority of the shares voted on the matter; and

4.

- For any other business at the Annual Meeting, the vote of a majority of the shares voted on the matter, assuming a quorum is present, shall be the act of the shareholders on that matter, unless the vote of a greater number is required by law.

How are votes counted?

Proposal 1 is the election of directors. Because directors are elected by a plurality of the votes cast, except as described in “Corporate Governance — Majority Vote Requirement,” the director nominees who get the most votes will be elected even if such votes do not constitute a majority. Directors cannot be voted “against” and votes to “withhold authority” to vote for a certain nominee will have no effect if the nominee receives a plurality of the votes cast. For the approval of all other proposals, you may vote “for” or “against” the proposal.

Abstentions and “broker non-votes” will be counted only for purposes of establishing a quorum, but will not otherwise affect the vote. “Broker non-votes” are proxies received from brokers or other nominees holding shares on behalf of their clients (in “street name”) who have not been given specific voting instructions from their clients with respect to non-routine matters. The ratification of independent auditors is considered a routine matter by brokers and other nominees allowing them to have discretionary voting power to vote shares they hold on behalf of their clients for the

ratification of an independent auditor.

If you hold your shares of Common Stock in your own name as a holder of record, and you fail to vote your shares, either in person or by proxy, the votes represented by your shares will be excluded entirely from the vote.

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Will other matters be voted on at the Annual Meeting?

We are not aware of any other matters to be presented at the Annual Meeting other than those described in this Proxy Statement. If any other matters not described in the Proxy Statement are properly presented at the meeting, proxies will be voted in accordance with the best judgment of the proxy holders.

Can I revoke my proxy instructions?

If you are a record holder, you may revoke your proxy by:

-
- filing a written revocation with the Secretary of United at the following address:
P.O. Box 398, Blairsville, Georgia 30514-0398;
-
- filing a duly executed proxy bearing a later date; or
-
- appearing in person and electing to vote by ballot at the Annual Meeting.

Any shareholder of record as of the record date attending the Annual Meeting may vote in person by ballot whether or not a proxy has been previously given, but the presence (without further action) of a shareholder at the Annual Meeting will not constitute revocation of a previously given proxy.

Any shareholder holding shares in “street name” by a broker or other nominee must contact the broker or nominee to obtain instructions for revoking the proxy instructions.

What other information should I review before voting?

United’s 2013 Annual Report to Shareholders and its Annual Report on Form 10-K filed with the SEC, including financial statements for the year ended December 31, 2013, are enclosed with this Proxy Statement. The 2013 Annual Report to Shareholders is not part of the proxy solicitation material. An additional copy of United’s Annual Report on Form 10-K may be obtained without charge by:

-
- accessing United’s website at www.ucbi.com;
-
- writing to the Secretary of United at the following address:
P.O. Box 398, Blairsville, Georgia 30514-0398; or
-
- accessing the EDGAR database at the SEC’s website at www.sec.gov.

You may also obtain copies of United’s Annual Report on Form 10-K from the SEC at prescribed rates by writing to the Public Reference Section of the SEC, Room 1580, F. Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 14, 2014**

We have posted materials related to the 2014 Annual Meeting on the Internet. The following materials are available on the Internet at www.ucbi.com/2014proxy:

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- this Proxy Statement for the 2014 Annual Meeting;
-
- United's 2013 Annual Report to Shareholders; and
-
- United's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC.

You are also invited to attend the 2014 Annual Meeting in person. To pre-register to attend the Annual Meeting you may:

-
- follow the instructions at www.ucbi.com/2014proxy;
-
- email Investor_Relations@ucbi.com and indicate the name of the person(s) attending; or
-
- call (866) 270-5900 and speak with an Investor Relations professional.

For directions to the Annual Meeting, visit www.theridgesresort.com, or call (866) 270-5900 and an Investor Relations professional can assist you.

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PROPOSAL 1 — ELECTION OF DIRECTORS

Introduction

The Bylaws of United provide that the number of directors on United’s Board of Directors may range from eight to fourteen. The Board of Directors of United has set the number of directors at eight. The number of directors may be increased or decreased from time to time by the Board of Directors by resolution, but no decrease shall have the effect of shortening the term of an incumbent director. The terms of office for directors continue until the next annual meeting and until their successors are elected and qualified.

Information Regarding Nominees for Director

Set forth below is information on each director and nominee, along with a summary of their experience, qualifications, attributes, and skills that qualify them for service on the Board. The following information has been furnished by the respective nominees for director as of March 15, 2014. All of the nominees for director are existing directors that have been nominated by the Board of Directors for reelection.

Jimmy C. Tallent Age 61	Director since 1988 President and Chief Executive Officer
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Mr. Tallent has served as President and Chief Executive Officer of United from the time it was formed in 1988. He has also served as President and Chief Executive Officer of United’s wholly-owned subsidiary, United Community Bank (the “Bank”), since 1984 and currently serves as its Chairman. Under Mr. Tallent’s leadership, United has grown from a small, one-branch banking operation in the rural community of Blairsville, Georgia to the third largest bank holding company headquartered in Georgia, with \$7.4 billion in assets and 102 banking offices covering four states in the Southeast. Mr. Tallent is a member of the board of directors of Georgia Power, the largest subsidiary of Southern Company, and serves as a Trustee of Young Harris College. He is a former member of the State Board for the Georgia Department of Technical and Adult Education, the Global Health Action board of directors and the Georgia Chamber of Commerce board of directors. Mr. Tallent has also served as the Georgia State YMCA Finance Chairman.

Mr. Tallent’s many professional accomplishments include being honored with the Georgia Economic Developers Association’s Spirit of Georgia Award, which was presented to Mr. Tallent in 1999. This award is presented annually to a Georgia business executive who has demonstrated superior ability, originality, potential impact, and courage in business development. For ten consecutive years, Georgia Trend magazine has recognized Mr. Tallent as one of the “100 Most Influential Georgians.” In 2007, Mr. Tallent was honored with the Ernst & Young Entrepreneur of the Year Award for Financial Services in the Alabama/ Georgia/Tennessee region. Mr. Tallent attended Young Harris College and Piedmont College and is a graduate of the Georgia Banking School.

As President and Chief Executive Officer, Mr. Tallent is the only officer to serve on our Board. With more than 40 years of experience, Mr. Tallent has a deep knowledge and understanding of United, its “community banks” and its lines of business. Mr. Tallent has demonstrated leadership abilities and has the integrity, values and good judgment that make him well suited to serve on the Board of Directors.

Robert H. Blalock Age 66	Director since 2000 Audit Committee Nominating/Corporate Governance Committee Compensation Committee Risk Committee
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Mr. Blalock has been Chief Executive Officer of Blalock Insurance Agency, Inc. in Clayton, Georgia, since 1974. He served as an organizing director of First Clayton Bank and Trust when the bank was formed in 1988. He was a director and served on the compensation and audit committees for First Clayton Bank and Trust, which was acquired by United in 1997, and was past chairman of the board. Mr. Blalock remains on the community bank board of United Community Bank — Clayton (the former First Clayton Bank and Trust), and joined United’s Board in 2000.

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Mr. Blalock is a graduate of University of Georgia and served as an Infantry Officer in the U.S. Army. He served a tour of duty in Vietnam with the 101 Airborne Division. He was a member of the Rotary Club of Clayton Board of Directors from 1974 to 1991 and served as the club's vice president.

Extensive knowledge and business experience, as well as involvement in our banking communities, provide critical insight to our Board of Directors. Mr. Blalock's experience and leadership of a small business in the Clayton community provides a much-needed perspective into a business community that is representative of a large portion of United's service area. As a past director of First Clayton Bank and Trust, Mr. Blalock brings not only a rich history of banking leadership, but a perspective of the bank acquisition process. The Board believes that Mr. Blalock's 39 years of business experience and 23 years of bank board experience make him well suited to serve on the Board of Directors.

Clifford V. Brokaw Age 46	Director since 2012 Nominating/Corporate Governance Committee Compensation Committee
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Mr. Brokaw joined the Board of Directors of United in 2012. Since 2007, he has served as Managing Director of Corsair Capital, LLC, a private equity firm focused exclusively on investing in the financial services industry and United's largest shareholder. Mr. Brokaw also serves as a member of the Investment Committee and leads the quarterly valuation process for Corsair. Mr. Brokaw was Managing Director in the Financial Institutions group at Goldman Sachs & Co. from 1999 to 2007 and worked in the Mergers and Acquisition group of J.P. Morgan from 1996 to 1999. He has had extensive financial experience with banks and insurance companies involving demutualization, initial public offerings, mergers, acquisitions, and capital offerings. Mr. Brokaw serves as a director of Torus Insurance Holdings. He received his bachelor's and J.D. degrees from the University of Virginia. Mr. Brokaw has a breadth of experience in the financial services industries, having served in a number of senior executive and director positions. Mr. Brokaw's extensive banking and related financial experience over his tenure at a private equity firm and two of the largest financial institutions in the country, provide a valuable perspective to United's Board of Directors, making him well suited to serve on the Board of Directors.

L. Cathy Cox Age 55	Director since 2008 Audit Committee Nominating/Corporate Governance Committee Chairman Compensation Committee Chairman Risk Committee
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Ms. Cox has served on both the Board of Directors of United and the board of directors of the Bank since 2008. Ms. Cox has been President of Young Harris College, a private, liberal arts college in North Georgia, since 2007. In her time at the college, she has moved the college from two-year to four-year status, increased enrollment of the institution by seventy percent, doubled the size of the faculty, and added nearly \$60 million in new facilities to the campus. Prior to joining the college, Ms. Cox was twice elected to serve as the Georgia Secretary of State. In this role she served as the Commissioner of Securities, overseeing the regulation of the securities industry within the state. She also participated in one of the largest ever national settlements against national investment banks for state and federal law violations.

Ms. Cox was twice elected to the Georgia House of Representatives where she served on the House Judiciary Committee; Game, Fish and Parks Committee; State Institutions and Properties Committee; Georgia Code Revision Commission; and various House study committees. Prior to her public service, Ms. Cox worked as an attorney, first as an associate with Hansell & Post in Atlanta, Georgia, and then as a partner with Lambert, Floyd & Conger in Bainbridge, Georgia. She started her professional career as a newspaper reporter. Ms. Cox holds an A.S. degree from Abraham Baldwin Agricultural College, an A.B.J. degree from University of Georgia, and a J.D. degree from Mercer University School of Law. She was Editor-in-Chief of the Mercer Law Review.

Ms. Cox provides a very unique combination of legal, governmental and educational experience to the Board of Directors. In her legal career, Ms. Cox served as legal counsel for community banks in Georgia. This, combined with her extensive government service, brings a depth of legal and governmental expertise

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to the Board. Her leadership of a college undergoing tremendous growth demonstrates Ms. Cox’s vision and strong management skills, and offers the perspective of a key educational institution to the Board. For these reasons, the Board believes Ms. Cox is well suited to serve on the Board of Directors.

Steven J. Goldstein Age 62	Director Since 2012 Audit Committee Nominating/Corporate Governance Committee Compensation Committee Risk Committee Chairman
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Mr. Goldstein joined the Board of Directors of United in 2012. He was Executive Vice President and Chief Financial Officer of The Federal Home Bank of Atlanta from 2007 to 2011. His responsibilities included financial and regulatory reporting, Sarbanes-Oxley compliance, accounting operations, oversight of financial modeling, and enterprise risk management. Mr. Goldstein was senior vice president and chief financial officer of Royal Bank of Canada’s U.S. and International division from 2001 to 2006 following its acquisition of Centura Banks, Inc. where Mr. Goldstein had been Chief Financial Officer from 1997 to 2001. For the previous 16 years, Mr. Goldstein held several senior management roles with financial services consulting firms, and served as an analyst, and was a deputy director of the Office of Public and Economic Research at the Federal Home Loan Bank Board in Washington, D.C. He began his career as Assistant Professor of Finance at the University of South Carolina. Mr. Goldstein received his bachelor’s, master’s and doctorate degrees from the University of Georgia.

Mr. Goldstein has decades of experience in the financial services industry having served in senior executive positions in finance and risk management at major banking and regulatory organizations. Mr. Goldstein’s extensive banking and financial experience, including enterprise risk management, provide a valuable perspective to United’s Board of Directors and make him well suited to serve on the Board of Directors.

W. C. Nelson, Jr. Age 70	Director since 1988 Chairman of the Board Nominating/Corporate Governance Committee Compensation Committee
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Mr. Nelson has served on the Board of Directors of United since its formation in 1988, and has served as Chairman since March 2012 and Vice Chairman from 1992 through March 2012. He has served on the board of directors of the Bank since 1974. Mr. Nelson is the co-owner and operator of Nelson Tractor Co. in Blairsville, Georgia, a dealer of farm and light industrial equipment established by the Nelson family in 1949. In this capacity, he has served on the Ford Tractor National Dealer Council, as well as the Kubota National Dealer Advisory Board representing southeast U.S. dealers.

Mr. Nelson attended Young Harris College and The Georgia Institute of Technology. He has been a member of the Union County Development Board for more than 30 years and has served as chairman for 15 years. Mr. Nelson is a current member of the Tennessee Valley Authority Regional Resource Stewardship Council representing the State of Georgia, and is currently on the Young Harris Board of Associates and the Blairsville Downtown Development Authority.

In addition to owning and operating a thriving local business, Mr. Nelson’s managerial and leadership expertise is recognized by professional and governmental entities nationwide. In addition to his keen leadership, Mr. Nelson brings to the Board of Directors a broad community perspective due to his lengthy involvement in, and leadership of, varied local and regional municipal organizations – a valued perspective because of United’s strong commitment to the communities it serves. The Board believes that Mr. Nelson’s dedication to community development, as well as his decades of business leadership and board experience makes him well suited to serve on United’s Board of Directors.

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	Director since 2012
Thomas A. Richlovsky	Audit Committee Chairman
Age 62	Nominating/Corporate Governance Committee
	Compensation Committee
	Risk Committee

Mr. Richlovsky joined the Board of Directors of United in 2012. He was Executive Vice President at PNC Financial Services Group Inc. from 2009 to 2011, following PNC's acquisition of National City Corporation in December 2008. While at PNC, he assisted with the integration of National City's financial functions as well as managed or co-managed several areas within the PNC finance group. Mr. Richlovsky was Chief Financial Officer, Treasurer and principal accounting officer of National City at the time of its acquisition by PNC. During his 30-year tenure with National City (1978-2008), he assumed progressively greater responsibilities and gained extensive financial, accounting, and treasury expertise. At the time of the sale of National City and subsequent integration into PNC, he was a key executive and assisted in the transition with regulators, investors, and other external constituents. Mr. Richlovsky began his career as an auditor in 1973 with Ernst & Ernst, a predecessor firm of Ernst & Young LLP, in Cleveland, Ohio. Mr. Richlovsky received his bachelor's degree from Cleveland State University and is a CPA. Mr. Richlovsky has extensive experience in the financial services industry, having served in senior executive positions in finance, accounting and treasury at major banking organizations. Mr. Richlovsky's expertise and experience in these finance related areas of banking provide a valuable perspective to United's Board of Directors, making him well suited to serve on the Board of Directors.

	Director since 1999
Tim R. Wallis	Nominating/Corporate Governance Committee
Age 62	Compensation Committee

Mr. Wallis is owner and president of Wallis Printing in Rome, Georgia. Previously, he worked in production and sales at what was then Brazelton-Wallis Printing Company from 1974 until 1985, when he became owner and President. In addition to serving on the Board of Directors of United, Mr. Wallis also serves as chairman on the community bank board of United Community Bank — Rome. He has served on the board of directors of the Printing and Imaging Association of Georgia (PIAG) and was chairman of the association's Government Relations Committee. In this capacity he worked directly with PIAG legislative liaisons at both the state and national levels. Mr. Wallis currently serves on the Georgia Chamber of Commerce board of directors. He also has served on the Darlington School board of trustees, Georgia Southern College Foundation board of trustees, Rome/Floyd YMCA board of trustees, and the United Way of Rome and Floyd County board of trustees. He is a graduate of Georgia Southern University. Mr. Wallis has been a community leader and long-term owner of a small business. With United's interest in small business and commercial banking, Mr. Wallis brings a valuable perspective and insight to the Board. His varied experience in a number of community boards, as well as his service on the United Community Bank — Rome community bank board, gives the Board a much needed focus on the needs of our mid-size banking communities and the business owners within those communities. For these reasons, and his experience with statewide commerce, the Board believes Mr. Wallis is well suited to serve on the Board of Directors.

There are no family relationships between any director, executive officer, or nominee for director of United.

Director Emeritus

In May 2013, following his retirement from active duty on the Board of Directors, Robert L. Head, Jr., 74, was elected by the Board to serve as a Director Emeritus. This is an elected role by the Board that provides leadership, counsel and guidance on various issues and policies that could affect United. Prior to retirement, Mr. Head had served as a member of the Board and Chairman from 1988 to 2012. Mr. Head's years of business experience, depth of understanding of United's markets and strong commitment to United's success make him a valuable resource to the Board of Directors.

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The Board has considered and determined that a majority of the members of the Board of Directors are “independent,” as defined under applicable federal securities laws and the Nasdaq listing requirements. During 2013, the independent directors were Directors Nelson, Blalock, Brokaw, Cox, Goldstein, Richlovsky and Wallis. The independent directors meet in executive sessions every quarter without management.

Board Leadership

The Board has elected Director Nelson as Chairman. The Board believes that its current leadership structure is appropriate because Director Nelson is a skilled businessman with good judgment and is a substantial shareholder of United. As a result, he provides independent, shareholder-focused leadership to United.

Board Committees

The Board currently has, and appoints members to, four standing committees: the Audit Committee, the Risk Committee, the Nominating/Corporate Governance Committee and the Compensation Committee. Each member of these committees is independent and each committee has a charter approved by the Board, which are available on United’s website, www.ucbi.com.

Identified below are the members of the committees as of March 15, 2014 (M — member; C — chairman):

Name	Audit	Risk	Nominating/ Corporate Governance	Compensation
W. C. Nelson, Jr.			M	M
Robert H. Blalock	M	M	M	M
Clifford V. Brokaw			M	M
L. Cathy Cox	M	M	C	C
Steven J. Goldstein	M	C	M	M
Thomas A. Richlovsky	C	M	M	M
Jimmy C. Tallent				
Tim R. Wallis			M	M

Audit Committee

The Audit Committee assists the Board in its general oversight and serves as an independent and objective party to monitor United’s financial reporting process and internal control systems, to review and assess the performance of the independent registered public accountants and internal auditing department, and to facilitate open communication among the independent registered public accountants, senior and financial management, the internal auditing department, and the Board of Directors. Certain specific responsibilities of the Audit Committee include recommending the selection of independent registered public accountants, meeting with the independent registered public accountants to review the scope and results of the annual audit, reviewing with management and the internal auditor the systems of internal controls and internal audit reports, ensuring that United’s books, records, and external financial reports are in accordance with U.S. generally accepted accounting principles, and reviewing all reports of examination made by regulatory authorities and ascertaining that any and all operational deficiencies are satisfactorily corrected.

The Board of Directors has determined that all of the members of the Audit Committee have sufficient knowledge in financial and accounting matters to serve on the Audit Committee, including the ability to read and understand fundamental financial statements. The Board of Directors has determined that all of the members of the Audit Committee are “financially sophisticated,” as defined under the Nasdaq listing requirements, and that Directors Goldstein and Richlovsky qualify as “audit committee financial experts” in accordance with the applicable rules and requirements of the SEC.

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The Audit Committee met ten times during 2013.

Risk Committee

The Risk Committee assists the Board in its general oversight of the company's risk management processes and its primary functions include monitoring and reviewing United's enterprise risk management processes, strategies, policies and practices to identify emerging risks, evaluate the adequacy of United's risk management functions and make recommendations to the Board in order to effectively manage risks.

The Risk Committee met two times during 2013.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee reviews United's Corporate Governance Guidelines and policies and monitors compliance with those guidelines and policies. In addition, the Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board of Directors nominees for election and candidates for each committee appointed by the Board. The

Nominating/Corporate Governance Committee met one time during 2013.

Compensation Committee

The Compensation Committee is responsible for establishing and administering the policies that govern the compensation arrangements for executive officers and other senior officers. The Compensation Committee is also responsible for oversight and administration of certain executive and employee compensation and benefit plans, including United's Amended and Restated 2000 Key Employee Stock Option Plan (the "Equity Plan"), Deferred Compensation Plan (the "Deferred Compensation Plan"), Modified Retirement Plan (the "Modified Retirement Plan") and Management Annual Incentive Plan (the "Management Incentive Plan"), as well as general compensation arrangements for all employees. It periodically reviews and makes recommendations to the Board with respect to director compensation. The Compensation Committee met seven times during 2013.

Board Meetings

The Board of Directors held 16 meetings during 2013. All of the directors attended at least 75% of the meetings of the Board and meetings of the committees of the Board on which they served that were held during 2013. Directors are expected to be present at the Annual Meeting of United. Seven of the directors attended the 2013 Annual Meeting of United.

Risk Oversight

Risk oversight of United is the responsibility of the Board of Directors. The Board administers this oversight function by evaluating various components of risk to the company at each meeting of the Board. United believes that its Board leadership structure facilitates careful oversight of risk to United. The structure of the Board provides strong oversight by the independent directors, with the independent directors meeting frequently in executive sessions of the Board without management. These executive sessions allow the Board of Directors to review key decisions and discuss matters in a manner that is independent of management.

Vote Required

Each proxy executed and returned by a shareholder will be voted as specified thereon by the shareholder. If any nominee withdraws or for any reason is not able to serve as a director, the proxy will be voted for such other person as may be designated by the Board of Directors as a substitute nominee, but in no event will the proxy be voted for more than eight nominees. Management of United has no reason to believe that any nominee will not serve if elected. All of the nominees are currently directors of United.

Directors are elected by a plurality of the votes cast by the holders of the shares entitled to vote in an election at a meeting at which a quorum is present, even though the nominees may not receive a majority of the votes cast.

However, as described in "Corporate Governance — Majority Vote Requirement," under

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certain instances, nominees who are elected receiving less than a majority vote may be asked to resign. An abstention or a broker non-vote will be included in determining whether a quorum is present at the meeting, but will not have any other effect on the outcome of a vote.

Recommendation

The Board of Directors unanimously recommends a vote “FOR” each nominee for director.

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CORPORATE GOVERNANCE

Director Nominations

General

The Board of Directors nominates individuals for election to the Board based on the recommendations of the Nominating/Corporate Governance Committee. A candidate for the Board of Directors must meet the eligibility requirements set forth in United's Bylaws, Corporate Governance Guidelines and in any applicable Board or committee resolutions.

Nominating/Corporate Governance Committee Procedures

The Nominating/Corporate Governance Committee considers qualifications and characteristics that it, from time to time, deems appropriate when it selects individuals to be nominated for election to the Board of Directors. These qualifications and characteristics include, without limitation, the individual's interest in United, his or her United shareholdings, independence, integrity, business experience, education, accounting and financial expertise, age, diversity, reputation, civic and community relationships, and knowledge and experience in matters impacting financial institutions. In addition, prior to nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's Board and committee attendance and performance.

Shareholder Nominations

The Board of Directors and Nominating/Corporate Governance Committee of the Board will consider all director nominees properly recommended by any United shareholders in accordance with the standards described above. Any shareholder wishing to recommend a candidate for consideration as a possible director nominee for election at an upcoming meeting of shareholders must provide timely, written notice to the Board of Directors in accordance with the procedures available on United's website, www.ucbi.com. The following is a summary of these procedures:

- - In order to be considered timely, a nomination for the election of a director must be received by United no less than 120 days before the anniversary of the date United's proxy statement was mailed to shareholders in connection with the previous year's annual meeting.
- - A shareholder nomination for director must set forth, as to each nominee such shareholder proposes to nominate:
 1.
 - the name and business or residence address of the nominee;
 2.
 - an Interagency Biographical and Financial Report available from the Federal Deposit Insurance Corporation completed and signed by the nominee;
 3.
 - the number of shares of Common Stock of United which are beneficially owned by the person;
 4.
 - the total number of shares that, to the knowledge of nominating shareholder, would be voted for such person;
 - and

5.

- the signed consent of the nominee to serve, if elected.

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- The notice by a nominating shareholder shall also set forth:

1.

- the name and residence address of such nominating shareholder; and

2.

- the class and number of shares of Common Stock of United which are beneficially owned by such shareholder.

Notices shall be sent to the Secretary, United Community Banks, Inc., P.O. Box 398, Blairsville, Georgia 30514-0398. There were no director nominations proposed for this year's Annual Meeting by any shareholder.

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Majority Vote Requirement

United's majority vote policy states that nominees for director who are elected but receive less than a majority of the votes cast for the election of directors may be asked to resign. The policy allows the Board to waive this majority vote requirement where a general campaign against the election of a class of directors of public companies resulted in a United nominee being elected with less than a majority vote without consideration of the particular facts and circumstances applicable to the individual United nominee. A waiver of the majority vote requirement will not be permitted if the votes cast resulted from a campaign directed specifically against the election of an individual United nominee, even in circumstances where a majority of the Board of Directors disagrees with those voting against that director's election.

Code of Ethical Conduct

United has adopted a Code of Ethical Conduct designed to promote ethical conduct by all of United's directors and principal financial and executive officers. The Code of Ethical Conduct complies with the federal securities law requirement that issuers have a code of ethics applicable to principal financial officers and with applicable Nasdaq listing requirements. United's Code of Ethical Conduct is available on its website and was filed as Exhibit 14 to its Annual Report on Form 10-K for the year ended December 31, 2003. United has not had any amendment to or waiver of the Code of Ethical Conduct. If there is an amendment or waiver, United will post any such amendment or waiver on the company's website, www.ucbi.com.

Shareholder Communication

The Board of Directors maintains a process for shareholders to communicate with the Board. Shareholders wishing to communicate with the Board of Directors should send any communication in writing to the Secretary, United Community Banks, Inc. P.O. Box 398, Blairsville, Georgia 30514-0398. Any such communication must state the number of shares beneficially owned by the shareholder making the communication. The communication will be forwarded to the full Board of Directors or to any individual director or directors to whom the communication is directed unless the communication is illegal or otherwise inappropriate, in which case the communication will be disregarded.

Certain Relationships and Related Transactions

United has a written related person transaction policy that governs the review, approval and ratification of any transaction that would be required to be disclosed by United pursuant to Item 404 of Regulation S-K under the Securities Act of 1933. The Board of Directors of United or the Audit Committee must approve all such transactions under the policy.

Prior to entering into such a related person transaction or an amendment thereof, the Board or Audit Committee must consider all of the available relevant facts and circumstances, including if applicable, benefits to United, the impact of a transaction on a director's independence, the availability of other sources for comparable products or services, the terms of the transaction, and the terms available to or from unrelated third parties or employees generally, as the case may be. No member of the Board or Audit Committee shall participate in any review, consideration, or approval of any related person transaction with respect to which such member or any of his or her immediate family members is a related person.

Neither the Board of Directors of United nor the Audit Committee has approved any related person transactions during the past three years in accordance with United's written related person transaction policy.

The Bank has, and expects to have in the future, banking transactions in the ordinary course of business with directors and officers of United and other related persons, on the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with unaffiliated third parties. Such transactions have not involved more than the normal risk of collectability or presented other unfavorable features.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Overview

The Compensation Committee of the Board of Directors has the important responsibility of ensuring that United's executive compensation policies and practices are based on three basic principles:

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- pay competitively within our industry;
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- pay for appropriate performance-based on pre-established goals; and
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- consistency with sound risk management practices and a balance between short-term and long-term objectives that provide for value creation for the company and our shareholders.

As used in this "Compensation of Executive Officers and Directors" section, the following executives of United are referred to collectively as the "Named Executive Officers": Jimmy Tallent — President and Chief Executive Officer; Lynn Harton — Executive Vice President and Chief Operating Officer; Rex Schuette — Executive Vice President and Chief Financial Officer; David Shearrow — Executive Vice President and Chief Risk Officer; and Bill Gilbert — Director of Banking.

The Compensation Committee considered, among other things, the following significant matters when making its 2013 compensation decisions:

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- In the first quarter of 2013, the U.S. Department of the Treasury ("Treasury") sold all of the preferred shares of United (the "TARP Shares") it purchased pursuant to its Capital Purchase Program, established under the Troubled Asset Relief Program ("TARP"). As a result, United is no longer subject to the TARP executive compensation restrictions to which participants in TARP were subject while Treasury held its investment.
-
- As a result of sustained profitability and improving credit quality that has led to significantly lower credit costs, United reversed approximately \$272 million of deferred tax asset ("DTA") valuation allowance in the second quarter of 2013, which increased net income by approximately \$257 million, or \$4.42 per share. Tangible book value increased by a slightly higher amount, or \$4.69 per share, due to the DTA valuation allowance reversal as well as other deferred tax related adjustments.
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- Also during the second quarter of 2013, United completed accelerated dispositions of classified assets with a carrying amount of approximately \$172 million. The accelerated disposition played a significant part in United's ability to improve our classified asset ratio to below 30% at year-end 2013 from 50% at year-end 2012; non-performing assets decreased to approximately \$31 million and performing classified loans decreased to approximately \$173 million at year-end 2013.
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- In December 2013 and January 2014, the Bank's informal Memorandum of Understanding with the Federal Deposit Insurance Corporation and the Georgia Department of Banking and Finance (the "DBF") and United's informal Memorandum of Understanding with the Federal Reserve Bank of Atlanta and the DBF (together, the "MOUs") were each terminated.

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- In December 2013, United repaid \$75 million of the remarketed TARP Shares and fully repaid all of the remaining \$105 million in outstanding TARP Shares in January 2014 using internal sources and a revolving line of credit without issuing any common equity.

In recognition of these accomplishments in 2013, the overall improvement and quality of earnings throughout the year and the contributions made by the Named Executive Officers throughout the difficult economic and regulatory environments over the past several years, and in light of United's guiding principles for executive compensation policies and practices, the Compensation Committee made the following changes to the compensation of the our Named Executive Officers during 2013:

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- In June 2013, in recognition of the successful completion of the accelerated classified asset sales, we made a one-time equity incentive award of 25,000 shares of restricted stock to the Chief Executive Officer's deferred compensation plan, which will be held in the plan until his retirement.

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- In August 2013, we increased the annual cash base salaries of the Named Executive Officers while eliminating the stock portion of base salaries for the Chief Operating Officer, Chief Financial Officer, and Chief Risk Officer, both in line with market trends.
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- In August 2013, with the assistance of our outside compensation consultants, the Compensation Committee developed a long-term equity incentive award plan for the Named Executive Officers that is tied to annual performance targets and provides for incentive equity awards of 465,000 restricted stock units if target levels are achieved that will vest over the five-year period. A five-year period plan was selected, versus a shorter three-year period, for retention purposes and to better match with the time periods necessary to achieve United's long-term strategic goal of building sustainable shareholder value. Because of its long term structure, the cost of the equity incentive award plan will be spread over the five years and these restricted stock units will serve as the primary long-term equity incentive awards for the Named Executive Officers for several years. The Compensation Committee does not expect to issue additional long-term equity incentive awards to the Named Executive Officers until 2016 or later.

Under this five-year award plan, 70% of the restricted stock units awarded are performance-based and will vest annually over the next five years upon satisfaction of the performance criteria for the related performance period. The Compensation Committee set the annual performance target level for 2014 at an 85 basis point return on average assets and thereafter at a one percent return on average assets, which reflected the 75th percentile level of performance for our selected Peer Group (described below). These performance targets will challenge senior management but are achievable, and achieving this strong long-term performance will drive improved earnings and a higher stock price that will be beneficial to the executives and our shareholders. If target levels of performance are met annually, 100% of the award will vest for that period and, if threshold level is met, 50% of the award for that period will vest for that period. Performance levels between threshold and target will vest ratable while performance below the threshold level will result in the forfeiture of that year's award. The remaining 30% of the restricted stock units award for each period are time-based and will vest annually over the next five years.

As a result of these changes, 55% to 66% of the targeted total compensation for the Named Executive Officers will be performance-based going forward and therefore, at-risk to the executives. The Compensation Committee believes the 2013 compensation changes and this target mix of compensation will ensure that United can retain its strong management team and focus senior management on long-term growth and shareholder value creation. We also believe that this target mix allows our compensation to vary appropriately based on corporate and individual performance in a manner that is aligned with shareholder interests and represents sound risk management principles.

Philosophy

United's compensation programs are designed to attract and retain key employees and to motivate them to achieve desired short- and long-term objectives with the goal of increasing shareholder value over the long-term. Because United believes the performance of every employee is important to the company's success, it is mindful of the effect of executive compensation and incentive programs on all of its employees and tries to establish programs that are fair in light of the compensation programs for all other employees.

The Compensation Committee believes that the compensation of the company's Named Executive Officers should reflect their success as a management team and as individuals in attaining key operating objectives, considered in light of economic, industry and competitive conditions. Key operating objectives include growth of revenue, loans and deposits; growth of earnings and earnings per share; returns on equity and assets; growth or maintenance of market share, long-term competitive advantage, customer satisfaction and operating efficiencies; and, ultimately, long-term growth in the market price of United's stock. The Compensation Committee also believes that compensation should not be excessive or based on the short-term performance of United's stock, whether favorable or unfavorable, and should not encourage unnecessary or excessive risks.

To further tie the financial interests of United's senior management to those of United's shareholders, United has established stock ownership and retention guidelines for senior management that requires certain levels of common stock to be held within five years in their position. Under these guidelines,

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executive officers are expected to accumulate a number of shares of common stock having a value equaling four times base salary in the case of our chief executive officer and three times base salary in the case of the other executive officers. All of our executive officers have met or will meet these targets within the five-year-period. United also has a policy that generally prohibits all of its employees, officers and directors from engaging in short sales or trading in puts, calls and other options or derivatives with respect to the securities of the company.

United held an advisory “say on pay” vote in 2013 on the compensation of its Named Executive Officers. United’s shareholders approved such compensation with 76% of votes in favor of the say on pay resolution. As the Compensation Committee evaluated its compensation policies and overall objectives for 2013, it took into consideration this vote of United’s shareholders. The Compensation Committee investigated the 2013 say on pay vote results noting shareholder concern with the modified single-trigger provisions in the employment agreement with our Chief Operating Officer in the event of his termination of employment. The Compensation Committee will avoid single-trigger provisions in future agreements with executive officers. All of United’s change-in-control and restricted stock unit award agreements contain double-trigger provisions.

In the future, the Compensation Committee will continue to take the results of the say on pay vote into account. While this vote is not binding on United, the Board of Directors and Compensation Committee value the opinions of shareholders and, to the extent there is any significant vote against the compensation of our Named Executive Officers, we will consider shareholders’ concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Administration

Generally, the Compensation Committee reviews the performance and approves all compensation of United’s Named Executive Officers and, based upon this evaluation, establishes their compensation. For all Named Executive Officers other than the Chief Executive Officer, the Chief Executive Officer makes recommendations to the Compensation Committee. Mr. Tallent attends the Compensation Committee meetings, participates in discussions and provides information that the Compensation Committee considers, but he is not in attendance nor does he participate in deliberations or voting with respect to his own compensation.

In setting and approving compensation of the Named Executive Officers, the Compensation Committee considers objective measurements of business performance, the accomplishment of strategic and financial objectives, the development of management talent within the company, and other matters relevant to the short-term and the long-term success of the company and the enhancement of shareholder value in the broadest sense.

In performing its responsibilities for executive compensation, the Compensation Committee has sole authority to, and does to the extent it deems necessary or desirable, retain and consult with outside professional advisors. During 2013, the Compensation Committee engaged Pearl Meyer & Partners (“Pearl Meyer”) as its independent compensation consultant to perform a study of the compensation of executive management of companies of comparable size within the financial services industry. The group used to compare executive compensation was the following peer group of 18 bank holding companies with asset sizes ranging from \$3.6 to \$13.4 billion and an average asset size of \$7.4 billion (the “Peer Group”).

BancorpSouth, Inc	Tupelo, MS	Northwest Bancshares, Inc.	Warren, PA
BankUnited, Inc.	Miami Lakes, FL	Pinnacle Financial Partners, Inc.	Nashville, TN
Beneficial Mutual Bancorp, Inc.	Philadelphia, PA	Renasant Corporation	Tupelo, MS
Community Trust Bancorp, Inc.	Pikeville, KY	S&T Bancorp, Inc.	Indiana, PA
F.N.B. Corporation	Hermitage, PA	TowneBank	Portsmouth, VA
First Commonwealth Financial Corporation	Indiana, PA	Trustmark Corporation	Jackson, MS
First Financial Holdings, Inc.	Columbia, SC	Union First Market Bankshares Corporation	Richmond, VA
IBERIABANK Corporation	Lafayette, LA	United Bankshares, Inc.	Charleston, WV
National Penn Bancshares, Inc.	Boyertown, PA	WesBanco, Inc.	Wheeling, WV

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The Compensation Committee also compared United's executive compensation to published executive compensation surveys compiled with the assistance of Pearl Meyer. Based on its analysis of this information and advice received from Pearl Meyer, the Compensation Committee implemented a long-term equity incentive award plan and made a number of changes to the overall level and compensation mix of its Named Executive Officers that was discussed earlier and in more detail below.

No Compensation Committee member has been an officer or employee of United, and the Board has considered and determined that all of the members are independent as defined under the Nasdaq listing requirements. Several members of the Compensation Committee have a significant percentage of their net worth invested in shares of United and all members have interests aligned with the interests of other shareholders. Additionally, during 2013, the Compensation Committee Charter was amended to conform to new Nasdaq listing requirements to clarify that executive officers do not participate in deliberations or voting with respect to their own compensation and that the Compensation Committee has the authority to retain and consult with outside professional advisors. The Charter is available in the corporate governance section of United's website, www.ucbi.com.

Elements of Compensation

Compensation for each Named Executive Officer is allocated among annual base salary, annual non-equity incentive awards and long-term equity incentive awards. The amount of each element of compensation is determined by or under the direction of the Compensation Committee, which uses the following factors to determine the amount of salary and other benefits to pay each executive: performance against corporate and individual objectives for the previous year; difficulty of achieving desired results in the coming year; value of their unique skills and capabilities to support United's long-term performance; performance of their general management responsibilities; and, contribution as a member of the executive management team.

Based on the foregoing, the Compensation Committee has established targeted overall compensation for each senior executive officer and the allocation of such compensation among annual base salary, annual non-equity incentive awards and long-term equity incentive awards. The following table outlines our long-term targeted compensation mix as a percentage of total compensation:

Performance-Based Compensation Elements

	Annual Base Salary	Annual Non-Equity Incentive	Long-Term Equity Incentive
Chief Executive Officer	35%	20%	45%
Other Named Executive Officers	45%	20%	35%

Annual Base Salary. United strives to provide its Named Executive Officers with a level of assured cash compensation in the form of annual cash base salary that is competitive with companies in the financial services industry and companies that are comparable in size and performance.

The Compensation Committee reviews base salaries annually and makes adjustments, in light of past individual performance as measured by both financial and non-financial factors and the potential for making significant contributions in the future, to ensure that salary levels remain appropriate and competitive. The Compensation Committee also considers each officer's tenure and experience in his or her respective position and internal comparability considerations.

During 2013, United increased Mr. Tallent's annual base salary from \$500,000 to \$600,000 and Mr. Harton's annual base salary from \$400,000 to \$475,000 to align them with the median annual base salaries paid to chief executive officers and chief operating officers of the Peer Group. Between 2007 and 2009, the Compensation Committee did not increase the annual base salaries of the Named Executive Officers and further, in 2009, Mr. Tallent voluntarily requested that his salary be reduced by \$80,000 to \$400,000. In 2011, Mr. Tallent's salary was restored to \$500,000 slightly above his 2009 level. Additionally in 2011, Mr. Tallent voluntarily rejected a \$100,000 increase in his salary to be paid in the form of Salary Stock. The increase in 2013 restores Mr. Tallent back to his 2011 level.

United increased Messrs. Schuette and Shearrow's annual base salaries from \$350,000 to \$375,000 to align them with the median range of annual base salaries paid to chief financial officers and chief risk