SCBT FINANCIAL CORP
Form DEF 14A
March 23, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

SCBT FINANCIAL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o 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:

(3) 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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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SCBT FINANCIAL CORPORATION

520 Gervais Street
Columbia, South Carolina 29201

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held April 27, 2010

TO THE SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of the Shareholders (the "Annual Meeting") of SCBT Financial Corporation, a South Carolina corporation (the "Company"), will be held at the Company's headquarters in the Orangeburg Conference Room on the second floor, 520 Gervais Street, Columbia, South Carolina at 2:00 p.m., on April 27, 2010, for the following purposes along with the Board of Directors recommendation related to each proposal:

(1) To elect six directors of the Company to serve three-year terms (Board of Directors unanimously recommends that you vote **"FOR"** this proposal);

(2) To ratify the appointment of Dixon Hughes PLLC, Certified Public Accountants, as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2010 (Board of Directors unanimously recommends that you vote **"FOR"** this proposal);

(3) To consider a stockholder proposal to eliminate classification of terms of the Board of Directors (Board of Directors unanimously recommends that you vote **"AGAINST"** this proposal); and

(4) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only record holders of Common Stock of the Company at the close of business on March 5, 2010, are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

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

By Order of the Board of Directors

Renee R. Brooks
Secretary

Columbia, South Carolina
March 24, 2010

SCBT FINANCIAL CORPORATION
520 Gervais Street
Columbia, South Carolina 29201

PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS
to be Held April 27, 2010

This Proxy Statement is furnished to shareholders of SCBT Financial Corporation, a South Carolina corporation (herein, unless the context otherwise requires, together with its subsidiaries, the "Company"), in connection with the solicitation of proxies by the Company's board of directors for use at the Annual Meeting of Shareholders to be held at the Company's headquarters in the Orangeburg Conference Room on the second floor, 520 Gervais Street, Columbia, South Carolina at 2:00 p.m., on April 27, 2010 or any adjournment thereof (the "Annual Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. Directions to the Company's headquarters may be obtained by contacting Keith Rainwater at 803-231-3539.

Solicitation of proxies may be made in person or by mail, telephone or other means by directors, officers and regular employees of the Company. The Company may also request banking institutions, brokerage firms, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Common Stock of the Company held of record by such persons, and the Company will reimburse the reasonable forwarding expenses. The cost of solicitation of proxies will be paid by the Company. This Proxy Statement was first mailed to shareholders on or about March 26, 2010.

The Company has its principal executive offices at 520 Gervais Street, Columbia, South Carolina 29201. The Company's mailing address is P.O. Box 1030, Columbia, South Carolina 29202, and its telephone number is 800-277-2175.

ANNUAL REPORT

The Annual Report to Shareholders (which includes the Company's Annual Report on Form 10-K containing, among other things, the Company's fiscal year ended December 31, 2009 financial statements) accompanies this proxy statement. Such Annual Report to Shareholders does not form any part of the material for the solicitation of proxies.

REVOCATION OF PROXY

Any record shareholder returning the accompanying proxy may revoke such proxy at any time prior to its exercise (a) by giving written notice to the Company of such revocation, (b) by voting in person at the meeting, or (c) by executing and delivering to the Company a later dated proxy. Attendance at the Annual Meeting will not in itself constitute revocation of a proxy. Any written notice or proxy revoking a proxy should be sent to SCBT Financial Corporation, P.O. Box 1030, Columbia, South Carolina 29202, Attention: Renee R. Brooks. Written notice of revocation or delivery of a later dated proxy will be effective upon receipt thereof by the Company.

QUORUM AND VOTING

The Company's only voting security is its $2.50 par value per common stock ("Common Stock"), each share of which entitles the holder thereof to one vote on each matter to come before the Annual Meeting. At the close of business on March 5, 2010 (the "Record Date"), the Company had issued and outstanding 12,744,633 shares of Common Stock, which were held of record by approximately 5,400 persons. Only shareholders of record at the close of business on the Record Date are entitled to notice of and to vote on matters that come before the Annual Meeting. Notwithstanding the Record Date specified above, the Company's stock transfer books will not be closed and shares of the Common Stock may be transferred subsequent to the Record Date. However, all votes must be cast in the names of holders of record on the Record Date.

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

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

All other matters to be considered and acted upon at the Annual Meeting, including the proposal to ratify the appointment of Dixon Hughes PLLC, Certified Public Accountants, as independent registered public accounting firm, require that the number of shares of Common Stock voted in favor of the matter exceed the number of shares of Common Stock voted against the matter, provided a quorum has been established. Abstentions, broker non-votes and the failure to return a signed proxy will have no effect on the outcome of such matters.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 27, 2010

The Company's Proxy, Proxy Statement (providing important shareholder information for the Annual Meeting), and 2009 Annual Report to Shareholders (which includes its 2009 Annual Report on Form 10-K) accompany this Notice. **The proxy statement and 2009 Annual Report to Shareholders are available at http://www.scbtonline.com/filings.**

ACTIONS TO BE TAKEN BY THE PROXIES

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

Proposal One:	**FOR** the election of the persons named in this Proxy Statement as the board of directors' nominees for election to the board of directors; and
Proposal Two:	**FOR** the ratification of the appointment of Dixon Hughes PLLC as independent registered public accounting firm for the fiscal year ending December 31, 2010; and
Proposal Three:	**AGAINST** the elimination of classification of terms of the Board of Directors.

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

SHAREHOLDER PROPOSALS AND COMMUNICATIONS

Any shareholder of the Company desiring to include a proposal in the Company's 2011 proxy materials for action at the 2011 Annual Meeting of Shareholders must deliver the proposal to the executive offices of the Company no later than November 15, 2010 if such proposal is to be considered for inclusion in the 2011 proxy materials. Only proper proposals that are timely received will be included in the Company's 2011 Proxy Statement and Proxy. In addition, a shareholder who desires to nominate a person for election to the board of directors of the Company or to make any other proposal for consideration by shareholders at a shareholders' meeting must deliver notice of such proposed action to the Secretary of the Company no less than 45 days before such meeting. For a nominee for director, such notice should be addressed to the governance committee of the Company at P.O. Box 1030, Columbia, South Carolina 29202. The recommendation must set forth the name and address of the shareholder or shareholder group making the nomination; the name of the nominee; his or her address; the number of shares of Company stock owned by the nominee; any arrangements or understandings regarding nomination; the five-year business experience of the recommended candidate; legal proceedings within the last five years involving the candidate; a description of transactions between the candidate and the Company valued in excess of $120,000 and other types of business relationships with the Company; a description of any relationships or agreements between the recommending shareholder or group and the candidate regarding nomination; a description of known relationships between the candidate and the Company's competitors, customers, business partners or other persons who have a business relationship with the Company; and a statement of the recommended candidate's qualifications for board membership. For any other shareholder proposal, such notice must set forth the name and address of the shareholder making the proposal and the text of the resolution to be voted on.

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

BENEFICIAL OWNERSHIP OF CERTAIN PARTIES

The following table sets forth the number and percentage of outstanding shares that exceed 5% beneficial ownership by any single person or group, as known by the Company:

Title of Class	**Name and Address of Beneficial Owner**	**Amount of Beneficial Ownership(1)**	**Percent of Shares Outstanding**
Common Stock	BlackRock, Inc. 40 East 52nd Street, New York, NY 10022	712,685	5.59%

(1) Beneficial ownership of BlackRock, Inc. is based on its Schedule 13G filed with the SEC on January 29, 2010. BlackRock, Inc. reported that it has shared power to vote or to direct the vote of 712,685 shares and shared power to dispose or direct the disposition of 712,685 shares.

BENEFICIAL OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of March 5, 2010, the number and percentage of outstanding shares of Common Stock beneficially owned by (i) each director and nominee for director of the Company, (ii) each executive officer named in the Summary Compensation Table, and (iii) all executive officers and directors of the Company as a group.

	Amount and Nature of Beneficial Ownership		
Name of Beneficial Owner	**Common Shares Beneficially Owned(1)**	**Common Shares Subject to a Right to Acquire(2)**	**Percent of Shares Outstanding**
Jimmy E. Addison	5,527	500	0.0%
Luther J. Battiste, III	5,083	2,818	0.1%
Joe E. Burns(4)(6)	31,042	14,155	0.4%
Thomas S. Camp(4)(6)	15,071	20,945	0.3%
Dalton B. Floyd, Jr.	16,717	1,025	0.1%
M. Oswald Fogle	23,537	3,048	0.2%
Dwight W. Frierson(5)	20,790	3,981	0.2%
Herbert G. Gray	7,376		0.0%
Robert R. Hill, Jr.(4)(6)	83,159	38,165	1.0%
Robert R. Horger(4)(6)	46,266	35,032	0.6%
Harry M. Mims, Jr.	40,902	3,518	0.3%
Ralph W. Norman	11,487	1,550	0.1%
Alton C. Phillips	11,306		0.1%
John C. Pollok(3)(4)(6)	51,095	23,850	0.6%
James W. Roquemore(3)(5)	38,682	3,286	0.3%
Thomas E. Suggs	6,572	3,286	0.1%
Susie H. VanHuss	5,833	1,025	0.1%
John Williamson, III	63,696	2,938	0.5%
John F. Windley(4)(6)	12,315	17,464	0.2%
All directors and executive officers as a group (21 persons)(2)(4)(6)	592,887	200,631	6.2%

(1) As reported to the Company by the directors, nominees and executive officers.

(2) Based on the number of shares acquirable by directors and executive officers through vested stock options within 60 days of the Record Date of March 5, 2010.

(3) Excludes shares owned by or for the benefit of family members of the following directors and executive officers, each of whom disclaims beneficial ownership of such shares: Mr. Pollok, 570 shares and Mr. Roquemore, 9,544 shares.

(4) Includes shares held as of December 31, 2009 by the Company under the Company's Employee Savings Plan, as follows: Mr. Burns, 2,396; Mr. Camp, 658 shares; Mr. Hill, 8,026; Mr. Horger, 1,631 shares; Mr. Pollok, 5,789 shares; Mr. Windley, 1,506 shares; and all directors and executive officers as a group, 29,526 shares.

(5) For Mr. Frierson, includes 7,039 shares owned by Coca-Cola Bottling Company of Orangeburg, of which Mr. Frierson is a management affiliate. Mr. Frierson may direct the voting and disposition of these shares on that company's behalf. For Mr. Floyd, includes 1,007 shares owned by Dalton B. Floyd, LP, of which Mr. Floyd is a partial owner and has the ability to direct the voting and disposition of the shares. For Mr. Roquemore, includes 12,483 shares owned by Patten Seed Company, of which Mr. Roquemore is a 29% owner and management affiliate, and 5,000 shares owned by Lakeshore Partnership, of which Mr. Roquemore is a partial owner and has the ability to direct the voting and disposition of the shares. For Mr. Burns, includes 2,137 shares owned by

J.E. Burns Holdings, Inc., of which Mr. Burns is an 86% owner and has the ability to direct the voting and disposition of the shares.

(6) Includes unvested shares of restricted stock, as to which the executive officers have full voting privileges. The shares are as follows: Mr. Burns, 15,942; Mr. Camp, 6,110 shares; Mr. Hill, 42,147 shares; Mr. Horger, 1,903 shares; Mr. Pollok, 32,709 shares; Mr. Windley, 4,663 shares; and all directors and executive officers as a group, 111,374 shares.

ELECTION OF DIRECTORS

The Articles of Incorporation of the Company provide for a maximum of twenty directors; to be divided into three classes each serving three-year terms, with the classes as equal in number as possible. The board of directors has currently established the number of directors at 15, effective at the Annual Meeting.

PROPOSAL 1: Robert R. Horger, Jimmy E. Addison, Harry M. Mims, Jr., James R. Roquemore, and John W. Williamson, III, all of whom currently are directors of the Company and whose terms expire at the Annual Meeting, have been nominated by the board of directors for re-election by the shareholders. If re-elected, Messrs. Horger, Addison, Mims, Roquemore, and Williamson will serve as directors of the Company for a three-year term, expiring at the 2013 Annual Meeting of Shareholders of the Company.

Herbert G. Gray was appointed to the board of directors effective November 19, 2009. Under South Carolina law, Mr. Gray's term expires at the Annual Meeting, and we ask that you re-elect Mr. Gray to our board of directors. If re-elected, Mr. Gray will serve as a director of the Company for a two-year term, expiring at the 2012 Annual Meeting of Shareholders of the Company.

The board unanimously recommends a vote **FOR** these nominees.

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

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Robert R. Horger *Chairman* *SCBT Employee*	59	1991	2010		Chairman of SCBT Financial Corporation and SCBT, N.A. since 1998. He also has served as Vice Chairman of SCBT Financial Corporation and SCBT, N.A. from 1994 to 1998. Mr. Horger has been an attorney with Horger, Barnwell and Reid in Orangeburg, SC, since 1975. During his tenure as Chairman, Mr. Horger has developed knowledge of the Company's business, history, organization, and executive management which, together with his personal understanding of many of the markets that we serve, has enhanced his ability to lead the board through the current challenging economic climate. Mr. Horger's legal training and experience enhance his ability to understand the Company's regulatory framework.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Robert R. Hill, Jr. *Chief Executive Officer* *SCBT Employee*	43	1996	2011		President and Chief Executive Officer of SCBT Financial Corporation since November 6, 2004. Prior to that time, Mr. Hill served as President and Chief Operating Officer of SCBT, N.A. from 1999 to November 6, 2004. Mr. Hill joined the Company in 1995. Mr. Hill brings to the board an intimate understanding of the Company's business and organization, as well as substantial leadership ability, banking industry expertise, and management experience.
Jimmy E. Addison	49	2007	2010		Chief Financial Officer of SCANA Corporation, the holding company of South Carolina Electric and Gas Company and other utility-related concerns, since 2006. He also serves on the Business Partnership Foundation of the Moore School of Business at the University of South Carolina and serves as Treasurer of the Southeastern Electric Exchange. Mr. Addison is also a licensed CPA and previously worked for a national accounting firm. His leadership experience, knowledge of financial reporting requirements of public companies, and business and personal ties to many of the Bank's market areas enhance his ability to contribute as a director.
Luther J. Battiste, III	60	2001	2011		Managing shareholder of the firm Johnson, Toal and Battiste, P.A., Columbia, S.C. and Orangeburg, SC, since 2007, and an attorney with the firm since 1974. Mr. Battiste also holds leadership positions in a number of local, state, and national legal organizations, serves on the boards of several non-profit institutions, and has previously served as a local government official in one the Company's largest market areas. Mr. Battiste's extensive legal career, experience as a government official, and non-profit service give him a unique perspective on certain business, legal, and regulatory matters.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Dalton B. Floyd, Jr.	71	2006	2012		Attorney with the Floyd Law Firm in Surfside Beach, SC, since 1973. Formerly served as Chairman and General Counsel of SunBank, N.A. and Sun Bancshares, Inc. from 1999 to 2005, when that company was acquired by SCBT Financial Corporation. Mr. Floyd's extensive legal career and his experience as the chairman and general counsel of a financial institution helps to enhance the board's understanding of the challenging legal and regulatory framework in which the Company operates. Moreover, Mr. Floyd has experience in the context of bank mergers and acquisitions from the sale of Sun Bancshares, Inc. to the Company.
M. Oswald Fogle	65	2001	2012		Plant manager of Roseburg Forest Products Co. manufacturing facility in Orangeburg, S.C., a company engaged in the lamination of boards and general warehousing, since 2007. Prior to that time, Mr. Fogle served as President and Chief Executive Officer of Decolam, Inc. from 1987 to 2007. As a result of his leadership experience, Mr. Fogle brings to the board useful knowledge of management, marketing, operations, and human resource issues. His business and personal experience in certain of the communities that the Bank serves provides him with a useful appreciation of markets that we serve.
Dwight W. Frierson	53	1996	2012		Vice Chairman of the Board, SCBT Financial Corporation and South Carolina Bank and Trust, N.A., since 1999. He has also served as Vice President and General Manager of Coca-Cola Bottling Company of Orangeburg, SC, since 1987. As a business manager, Mr. Frierson has experience with management, marketing, operations, and human resource matters. His business and personal experience in certain of the communities that the Bank serves provides him with an appreciation of markets that we serve. Moreover, during his tenure as a director he has developed knowledge of the Company's business, history, organization, and executive management which, together with the relationships that he has developed, enhance his leadership and consensus-building ability.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Herbert G. Gray	45	2009	2010		President and Chief Executive Officer of Grayco, a Beaufort-based company that primarily supplies building material and hardware for Beaufort and Jasper counties in South Carolina, since 2000. As the chief executive officer of a company, Mr. Gray has experience with management, marketing, operations, and human resource matters. His business and personal experience in certain of the communities that the Bank serves also provides him with an appreciation of markets that we serve. Moreover, his background and experience in the Beaufort market is useful to the board as the Bank continues to develop its business in the lowcountry of South Carolina.
Harry M. Mims, Jr.	68	1988	2010		President of J.F. Cleckley & Company, a company engaged in site development, since 1977. Over his 20 years of experience with the board, Mr. Mims has developed an understanding of the Company's business, history, organization, and executive management. Moreover, as the president of a development company, Mr. Mims has experience with strategic planning, management, marketing, operations, and human resource matters. His business and personal experience in certain of the communities that the Bank serves also provides him with a useful appreciation of markets that we serve.
Ralph W. Norman	56	1996	2011		President of Warren Norman Co., Inc., a real estate development firm, since 1990. Mr. Norman is also a member of the South Carolina House of Representatives. As the president of a company and an elected official, Mr. Norman has experience with strategic planning, management, marketing, operations, and human resource matters. His business, political, and personal experiences provide him with political insights and a useful appreciation of markets that we serve.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Alton C. Phillips	46	2007	2011		President of Carolina Eastern, Inc., a Charleston-based company that markets and distributes fertilizers, chemicals, and seed, since 1988. As the president of a company, Mr. Phillips has experience with strategic planning, management, marketing, operations, and human resource matters. His business and personal experience in certain of the communities that the Bank serves also provides him with an appreciation of markets that we serve.
James W. Roquemore	55	1994	2010		Chief Executive Officer of Patten Seed Company, Inc. of Lakeland, GA, and General Manager of Super-Sod/Carolina, a company that produces and markets turf, grass, sod and seed, since 1997. As the chief executive officer of a company, Mr. Roquemore has experience with management, marketing, operations, and human resource matters. His business and personal experience in certain of the communities that the Bank serves also provides him with an appreciation of markets that we serve. Moreover, during his tenure as a director he has developed knowledge of the Company's business, history, organization, and executive management which, together with the relationships that he has developed, enhance his leadership and consensus-building ability.
Thomas E. Suggs	60	2001	2012		President and Chief Executive Officer of Keenan and Suggs, Inc., an insurance brokerage and consulting firm. Mr. Suggs has over 14 years of experience in the insurance industry and 25 years of banking experience. As the chief executive officer of a company, Mr. Suggs has experience with management, marketing, operations, and human resource matters, and his experience with the banking industry also provides him with certain insights. His business and personal experience in certain of the communities that the Bank serves also provides him with an appreciation of markets that we serve.

Name	Age	First Elected Director	Current Term Expires	Nominee for New Term	Business Experience for the Past Five Years and Director Qualifications
Susie H. VanHuss	70	2004	2011		Retired in 2006 as Executive Director of the University of South Carolina Foundations; Professor Emeritus of Management in the Moore School of Business, University of South Carolina, Columbia, SC. As Executive Director, she was the Chief Executive Officer of the USC Educational Foundation and the USC Development Foundation, both 501(C)(3) non-profit South Carolina corporations. She is also an author for South Western Publishing Company. From May 1, 2008, through January 31, 2009, she served as interim President and CEO of Central Carolina Community Foundation, a 501(C)(3) non-profit South Carolina corporation. With her leadership experiences and breadth of knowledge, she brings a unique perspective to the board.

FAMILY RELATIONSHIPS

There are no family relationships among any of the directors and executive officers of the Company.

THE BOARD OF DIRECTORS AND COMMITTEES

During 2009, the board of directors of the Company held ten meetings. All directors attended at least 75% of the aggregate of (a) the total number of meetings of the board of directors held during the period for which he or she served as a director, and (b) the total number of meetings held by all committees of the board of directors of the Company on which he or she served.

There is no formal policy regarding attendance at annual shareholder meetings; however, such attendance has always been strongly encouraged. Last year, all directors active at that time attended the 2009 Annual Shareholders' Meeting.

The board of directors has adopted a Code of Ethics for Financial Professionals that is applicable to the Company's chief executive officer, chief financial officer, controller, financial reporting manager and all managers reporting to these individuals who are responsible for accounting and financial reporting. The Code of Ethics for Financial Professionals was filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

The board of directors of the Company maintains executive, audit, compensation, governance, policy and trust asset management committees. The composition and frequency of meetings for these committees during 2009 were as follows:

		Committees of the Board of Directors					
Name	Independent Under NASDAQ Requirements	Executive (11 meetings)	Audit (9 meetings)	Compensation (5 meetings)	Governance (5 meetings)	Policy (3 meetings)	Trust Asset Management (4 meetings)
Robert R. Horger	No	Chair					
Robert R. Hill, Jr.	No						
Jimmy E. Addison	Yes						
Luther J. Battiste, III	Yes						
Dalton B. Floyd, Jr.	Yes						
M. Oswald Fogle	Yes		Chair				
Dwight W. Frierson	Yes				Chair	Chair	
Herbert G. Gray(3)	Yes						
Harry M. Mims, Jr.	Yes						
Ralph W. Norman	Yes						
Alton C. Phillips	Yes						
James W. Roquemore	Yes						
Thomas E. Suggs	Yes						
Susie H. VanHuss	Yes			Chair			
John W. Williamson, III(1)(2)	Yes						Chair

(1) This director no longer serves on the audit committee as of July 2009.

(2) This director joined the executive committee in May 2009 and the policy committee in July of 2009.

(3) This director joined the board of directors and the audit committee in November of 2009.

Note: All directors other than Robert R. Horger and Robert R. Hill, Jr. meet the independence requirements of The NASDAQ Stock Market. Therefore, under these requirements, a majority of the members of the Company's board of directors is independent.

The functions of these committees are as follows:

Executive Committee The board of directors of the Company may, by resolution adopted by a majority of its members, delegate to the executive committee the power, with certain exceptions, to exercise the authority of the board of directors in the management of the affairs of the Company.

Audit Committee The board of directors has determined that all members of the audit committee are independent directors under the independence requirements of The NASDAQ Stock Market. The board of directors has also determined that M. Oswald Fogle is an "audit committee financial expert" for purposes of the rules and regulations of the Securities and Exchange Commission ("SEC") adopted pursuant to the Sarbanes-Oxley Act of 2002. The primary function of the audit committee is to assist the board of directors of the Company in overseeing (i) the Company's accounting and financial reporting processes generally, (ii) the audits of the Company's financial statements and (iii) the Company's systems of internal controls regarding finance and accounting. In such role, the audit committee reviews the qualifications, performance and independence of the Company's independent accountants and has the authority to appoint, evaluate and, where appropriate, replace the Company's independent registered public accounting firm. The audit committee also oversees the Company's internal audit department. The board of directors has adopted a charter for the audit committee, a copy of which is located on the Company's website at www.scbtonline.com under Investor Relations.

Compensation Committee The board of directors has determined that all members of the compensation committee are independent directors under the independence requirements of The NASDAQ Stock Market applicable to directors who do not serve on the audit committee. The compensation committee, among other functions, evaluates the performance of the executive officers of the Company and recommends to the board of directors matters concerning compensation, salaries, benefits and other forms of executive compensation for officers and directors of the Company. The full board of directors is then responsible for approving or disapproving compensation paid to the executive officers of the Company. The committee, which currently consists of five independent directors as determined in accordance with the independent standards of The NASDAQ Stock Market, is required to be made up of no fewer than three independent board members who are recommended by the governance committee (after recommendation of the chairman) and approved by the board of directors. The compensation committee's processes and procedures for considering and determining executive compensation are described below under "Compensation Discussion and Analysis." The compensation committee charter can be found on the Company's website at www.scbtonline.com under Investor Relations.

Governance Committee The board of directors has determined that all members of the governance committee are independent directors under the independence requirements of The NASDAQ Stock Market applicable to directors who do not serve on the audit committee. The governance committee also periodically reviews and, where appropriate, recommends changes to the Company's corporate governance practices. The governance committee charter can be found on the Company's website at www.scbtonline.com under Investor Relations.

The governance committee acts as the nominating committee for the purpose of recommending to the board of directors nominees for election to the board of directors. The governance committee has not established any specific, minimum qualifications that must be met for a person to be nominated to serve as a director, and the governance committee has not identified any specific qualities or skills that it believes are necessary to be nominated as a director. The governance committee charter provides that potential candidates for the board are to be reviewed by the governance committee and that candidates are selected based on a number of criteria, including a proposed nominee's independence, age, skills, occupation, diversity and experience and any other factors beneficial to the Company in the context of the needs of the board. The governance committee has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees. In determining whether to recommend a director nominee, governance committee members consider and discuss diversity, among other factors, with a view toward the needs of the board of directors as a whole. The governance committee members generally conceptualize diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint, professional experience, education, skill and other qualities or attributes that contribute to board heterogeneity, when identifying and recommending director nominees. The governance committee believes that the inclusion of diversity as one of many factors considered in selecting director nominees is consistent with the committee's goal of creating a board of directors that best serves the needs of the Company and the interest of its shareholders.

The governance committee has performed a review of the experiences, qualifications, attributes and skills of the Board's current membership, including the director nominees for election to the board of directors and the other members of the board, and believes that the current members of the board, including the director nominees, as a whole possess a variety of complementary skills and characteristics, including the following:

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

Each individual director has qualifications and skills that the governance committee believes, together as a whole create a strong, well-balanced board. The experiences and qualifications of our directors are found in the table on pages 6-11.

The governance committee will consider nominees identified by its members, other directors, officers and employees of the Company and other persons, including shareholders of the Company. The governance committee will consider nominees for director recommended by a shareholder if the shareholder provides the committee with the information described in paragraph 6 under the caption "Committee Authority and Responsibilities" of the governance committee's charter.

The required information regarding a director nominee is also discussed in general terms within the first paragraph of the "Shareholder Proposals and Communications" section on page 4 of this proxy statement.

Policy Committee The primary purpose of the policy committee is to recommend and approve new policies and to review and approve present policies or policy updates and changes.

Trust Asset Management Committee The primary purpose of the trust asset management committee is to oversee the activities of the trust and asset management department and the investment services activities of the Company's subsidiary bank.

Board Leadership Structure and Role in Risk Oversight

We are focused on the Company's corporate governance practices and value independent Board oversight as an essential component of strong corporate performance to enhance shareholder value. Our commitment to independent oversight is demonstrated by the fact that, except for two directors, who are our Chief Executive Officer and Chairman of the Board, all of our directors are independent. In addition, all of the members of our Board's audit, compensation, and governance committees are independent.

Our Board believes that it is preferable for Mr. Horger to serve as Chairman of the Board because of his strong institutional knowledge of the Company's business, history, industry, markets, organization and executive management gained in his nearly 16 years of experience in a leadership position on the Board. We believe it is the Chief Executive Officer's responsibility to manage the Company and the Chairman's responsibility to guide the Board as they provide leadership to our executive management. As directors continue to have more oversight responsibility than ever before, we believe it is beneficial to have separate individuals in the role of Chairman and Chief Executive Officer.

Traditionally, the

Company has maintained the separateness of the roles of the Chairman and the Chief Executive Officer. In making its decision to continue to have a separate individual as Chairman, the Board considered the time and attention that Mr. Hill is required to devote to managing the day-to-day operations of the Company. We believe that this board leadership structure is appropriate in maximizing the effectiveness of Board oversight and in providing perspective to our business that is independent from executive management.

The Board of Directors oversees risk through the various Board standing committees, principally the audit committee, which report directly to the Board. Our audit committee is primarily responsible for overseeing the Company's risk management processes on behalf of the full Board of Directors. The audit committee focuses on financial reporting risk and oversight of the internal audit process. It receives reports from management at least quarterly regarding the Company's assessment of risks and the adequacy and effectiveness of internal control systems, as well as reviewing credit and market risk (including liquidity and interest rate risk), and operational risk (including compliance and legal risk). Our chief risk officer and chief financial officer meet with the audit committee on a quarterly basis in executive sessions to discuss any potential risk or control issues involving management.

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

- determining risk appetites, policies and limits
- monitoring and assessing exposures, trends and the effectiveness of risk management;
- reporting to the Board of Directors; and
- promoting a sound risk management culture.

The full Board of Directors focuses on significant risks facing the Company and the Company's general risk management strategy. While the Board of Directors oversees the Company's risk management, management is responsible for the day-to-day risk management processes. We believe this division of responsibility is the most effective approach for addressing the risks facing our Company and that our Board leadership structure supports this approach.

We recognize that different Board leadership structures may be appropriate for companies in different situations. We will continue to reexamine our corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet the Company's needs.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Although the Company is not required to seek shareholder ratification of the selection of its accountants, the Company believes obtaining shareholder ratification is desirable. If the shareholders do not ratify the appointment of Dixon Hughes, the audit committee will re-evaluate the engagement of the Company's independent auditors. Even if the shareholders do ratify the appointment, the audit committee has the discretion to appoint a different independent registered public accounting firm at any time during the year if the audit committee believes that such a change would be in the best interest of the Company and its shareholders.

The board unanimously recommends that shareholders vote **FOR** the ratification of the appointment of Dixon Hughes as the Company's independent registered public accounting firm.

If a quorum is present, the number of shares of Common Stock voted in favor of this proposal must exceed the number of shares voted against it for approval of this proposal.

PROPOSAL 3: ELIMINATION OF CLASSIFICATION OF TERMS OF THE BOARD OF DIRECTORS

The Board of Directors unanimously recommends that you vote "AGAINST" the stockholder proposal set forth below.

Gerald R. Armstrong of 910 Sixteenth Street, No. 412, Denver, Colorado 80202-2917, owner of 130 shares of the Company's common stock, has notified the Company that he intends to present the following proposal and related supporting statement at the Annual Meeting. In accordance with the rules of the Securities and Exchange Commission, the text of the proponent's resolution and supporting statement is printed verbatim from his submission.

RESOLUTION

That the shareholders of SCBT Financial Corporation request its Board of Directors to take the steps necessary to eliminate classification of terms of the Board of Directors to require that all Directors stand for election annually. The Board declassification shall be completed in a manner that does not affect the unexpired terms of the previously-elected Directors.

STATEMENT

The current practice of electing only one-third of the directors for three-year terms is not in the best interest of the corporation or its shareholders. Eliminating this staggered system increases accountability and gives shareholders the opportunity to express their views on the performance of each director annually. The proponent believes the election of directors is the strongest way that shareholders influence the direction of any corporation and our corporation should be no exception.

As a professional investor, the proponent has introduced the proposal at several corporations which have adopted it. In others, opposed by the board or management, it has received votes in excess of 70% and is likely to be reconsidered favorably.

The proponent believes that increased accountability must be given our shareholders whose capital has been entrusted in the form of share investments especially during these times of great economic challenge.

Arthur Levitt, former Chairman of The Securities and Exchange Commission said, "In my view, it's best for the investor if the entire board is elected once a year. Without annual election of each director, shareholders have far less control over who represents them."

While management may argue that directors need and deserve continuity, management should become aware that continuity and tenure may be best assured when their performance as directors is exemplary and is deemed beneficial to the best interests of the corporation and its shareholders.

The proponent regards as unfounded the concern expressed by some that annual election of all directors could leave companies without experienced directors in the event that all incumbents are voted out by shareholders.

In the unlikely event that shareholders do vote to replace all directors, such a decision would express dissatisfaction with the incumbent directors and reflect the need for change.

If you agree that shareholders may benefit from greater accountability afforded by annual election of all directors, please vote "FOR" this proposal.

Board of Directors Statement in Opposition of Proposal 3

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *AGAINST* THE PROPOSAL TO TAKE STEPS TO ELIMINATE CLASSIFICATION OF TERMS OF THE BOARD.

Under our current structure, each director serves a three-year term and about one-third of the directors stand for election each year. This is commonly known as a "classified" or "staggered" board and is a practice that has been adopted by many public companies. Our shareholders approved our current structure in 1985 when SCBT Financial Corporation was formed as the holding company of SCBT, National Association. The Board has considered the shareholder proposal relating to the elimination of classification of the terms of our Board and has concluded that maintaining a classified board is in the best interests of the Company and its shareholders.

The governance committee, composed entirely of independent directors, regularly considers and evaluates a broad range of corporate governance issues affecting the Company. In its most recent review and in connection with its review of this shareholder proposal, the governance committee considered the history of the classified board system and the arguments for and against a classified board system. It also considered, among other things, the change in circumstances arising from the nation's current economic downturn and, in particular, the dramatic impact on financial institutions. After careful consideration, the governance committee concluded that the continuity and quality of leadership that results from a classified board creates long-term shareholder value and is in the best interests of the Company and its shareholders. The governance committee and the Board of the Company oppose the proposal for the following reasons:

Continuity and Stability. The classified board structure is designed to provide stability, enhance long-term planning, and ensure that, at any given time, there are directors serving on the Board who are familiar with the Company, its complex financial business, and its strategic goals. The classified board structure also provides flexibility by requiring the annual election of one-third of the directors and a majority of the directors over a two-year period. Experienced directors who are knowledgeable about the Company's complex financial business environment are a valuable resource and are better positioned to make decisions that are in the best interests of the Company and its shareholders. Staggered terms give the Company's new directors an opportunity to gain knowledge about the Company's business from its continuing directors. If all directors were elected annually, the Board could be composed entirely of directors who were unfamiliar with the Company and its business strategies. This could jeopardize the Company's long-term strategies and growth plans. The Board believes that the Company's current classified Board is prudent and necessary for the protection of all shareholders.

A classified board also assists the Company in attracting and retaining highly qualified directors who are willing to commit the time and resources necessary to understand the Company, its operations, and its competitive environment. The Board believes that agreeing to serve a three-year term demonstrates a nominee's commitment to the Company over the long-term. Given the current corporate governance climate, in which many qualified individuals are increasingly reluctant to serve on public boards, the Company could also be placed at a competitive disadvantage in recruiting qualified director candidates if their Board service could potentially be only for a one-year period.

Enhances the Independence of the Board. The Board believes that electing directors to three-year terms, rather than one-year terms, enhances the independence of non-employee directors by providing them with a longer assured term of office, thereby insulating them from pressures from management or from special interest groups who might have an agenda contrary to the long-term interests of all shareholders. The Company's current classified board structure permits its directors to act independently and on behalf of shareholders without worrying whether they will be re-nominated by the other members of the Board each year. The freedom to focus on the long-term interests of the

Company instead of on the re-nomination process leads to greater independence and better governance.

Accountability and Governance. Your Board is committed to acting in the best interest of the Company and its shareholders. Each director is required to uphold the fiduciary duties of loyalty and care to the Company and its shareholders, regardless of the length of his term of service or the frequency of his or her standing for re-election. Your Board's commitment and legal obligations, together with the increasing scrutiny of corporate governance and the heightened regulatory oversight of recent years, provide a high degree of Board accountability.

The governance committee is responsible for identifying and recommending director candidates to the Board, and this committee consists entirely of independent directors. Shareholders have a meaningful opportunity at each annual meeting of the shareholders to communicate their views on director-nominees, and on the Board's oversight of the management of the Company, through the director election process. The Board believes that good corporate governance depends on the selection of responsible and experienced individuals, not on whether they serve terms of one year or three years. The Board believes that for the Company the current board structure is consistent with accountable and effective corporate governance.

Protection Against Takeover Tactics. The Board believes that the classified structure would provide it valuable leverage to deliver shareholder value in the event of a potential takeover. Although a classified board would not preclude a takeover, it is designed to safeguard our Company against potentially sudden and disruptive efforts by third parties to quickly take control of the Board. Therefore, a third party seeking to acquire control is encouraged to engage in arm's length negotiations with the Board, which is in a position to negotiate a transaction that is fair and in the best interests of all of our shareholders.

Effect of Approval of the Proposal. This proposal, which is advisory in nature, would not automatically result in the elimination of our classified board structure. Further action by our shareholders would be required to amend our certificate of incorporation. Under our articles of incorporation, an affirmative vote of the holders of at least 80% of the voting power of our outstanding shares would be required for approval of such an amendment. Therefore, the declassification of our board of directors could not be effected without a further meeting of our shareholders and the requisite 80% vote of our outstanding shares.

If our shareholders approve this proposal by a substantial margin, the governance committee and the Board will again review the advisability of our classified board structure and determine whether it is in the best interests of our company and shareholders to present an amendment to our articles of incorporation at the next annual meeting that, if approved by the requisite vote, would eliminate the classified board.

THE BOARD RECOMMENDS YOU VOTE "AGAINST" PROPOSAL NO. 3. PROXIES SOLICITED BY THE BOARD WILL BE VOTED "AGAINST" THIS PROPOSAL UNLESS OTHERWISE INSTRUCTED ON THE PROXY CARD.

EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

Objectives of the Compensation Program

Role of the Compensation Committee: The compensation committee is responsible for the design, implementation and administration of the compensation programs for executive officers of the Company. The committee seeks to increase shareholder value by rewarding performance with cost-effective compensation and striving to attract and retain talented executives through adherence to the following compensation objectives:

- The Company's compensation programs are designed to reward executive officers based on key standards that comprise the Company's culture: soundness, profitability, growth, ethics, execution of strategic goals, the ability to inspire and motivate, and sound corporate governance.
- The compensation committee's philosophy is to provide competitive compensation to attract and retain key management to ensure a balance of soundness, profitability and growth while providing long term value for the shareholders of the Company.
- Reward executives consistent with the Company's culture of being a meritocracy in regard to compensation for all employees.
- The compensation committee has overall responsibility for evaluating and recommending to the Board of Directors for its approval the director and officer compensation plans, policies and programs of the Company.

During 2009, the committee had five meetings and the following objectives, goals, and initiatives were met:

- Reviewed the performance of the Company and of the top executives and recommended for approval by the Board the compensation payout, including equity awards and base salary adjustments of top executive management based on the previous year's performance.
- Reviewed and approved compensation for the Chairman of the Board of Directors.
- Approved the number of shares for the SERP/Equity Swap for three executives. The Company expects to realize savings of approximately $5.5 million over the span of the vesting periods for these executives.
- Worked with the Company's management to prepare, review, and approve the 2009 Proxy Compensation Discussion and Analysis ("CD&A").
- Reviewed and approved the Compensation Committee charter.
- Conducted extensive discussions on compensation issues, conducted a total compensation review, and received training by the Compensation Consultant for Compensation Committee Education and Training.
- Retained Amalfi Consulting, LLC as the committee's compensation consultant.

Analyzed and updated the peer group used for executive compensation benchmarking based on specific performance criteria.

Reviewed the recommendations of the compensation consultant.

Developed and approved the structure and compensation for executive management for 2009.

Reviewed and approved the employment contract of Robin Lyle, President of NCBT.

Reviewed and discussed the recommendations sent by the California State Teachers' Retirement System.

Attended a presentation by the Senior Vice President of Human Resources on all company incentive plans and the risk associated with those plans and reviewed the plans.

Reviewed and approved discretionary retention compensation including cash, stock options, and restricted stock recommended by the CEO for certain executives which are to be paid in 2010.

Compensation Consultant

During 2009, the compensation committee engaged the services of Amalfi Consulting, LLC of Minneapolis, Minnesota, to provide compensation consulting services for both directors and executive management of the Company. Amalfi Consulting reports directly to the compensation committee and met with the compensation committee five times during 2009. The compensation committee has the sole authority to hire consultants and set the engagements and the related fees of those consultants. The following consulting services were provided:

Assisted the Company in its preparation of compensation disclosures as required under Regulation S-K with respect to this proxy statement including this CD&A and associated tables and disclosures included herein by reference.

Revised the Company's compensation peer group of publicly-traded financial institutions that is comparable to SCBT in asset size (the peer group consists of high performing commercial banks and is presented later in this analysis).

Reviewed the competitiveness of the compensation elements currently offered by the Company to its top executives, including base salary, annual incentive or bonus, long-term incentives (stock options and restricted stock), all other compensation, and changes in retirement benefits as compared to that of the customized peer group.

Recommendations and observations regarding the potential alignment of the Company's executive compensation practices with the Company's overall business strategy and culture relative to the market as defined by the peer group, including review of the current performance based programs with respect to the annual cash incentives and annual equity grants and made recommendations for both the 2009 and 2010 fiscal year plans.

Compensation Benchmarking and Committee Functions

Each year, with direction from Amalfi Consulting, the compensation committee reviews a survey of the compensation practices of the Company's peers in the United States in order to assess the competitiveness of the compensation arrangements of our executive officers. Although benchmarking is an active tool used to measure compensation structures among peers, it is only one of the tools used by the compensation committee to determine total compensation. Benchmarking is used by the compensation committee primarily to ascertain competitive total compensation levels (including base salary, equity awards, cash incentives, etc.) with comparable institutions. The committee uses this data as a reference point, establishes competitive base salaries, and then addresses pay-for-performance (meritocracy) as discussed further in the sections below on cash incentives and long-term retention. A combination of peer performance, market factors, company performance and personal performance are all factors that the compensation committee considers to establish total compensation, including incentives. This practice is in line with the Company's meritocracy philosophy of pay. The compensation committee, at its discretion, may determine that it is in the best interest of the Company to negotiate total compensation packages that deviate from regular compensation and incentive levels in order to attract and retain specific talent.

During 2009, six key executive positions were included in the compensation study to determine appropriate compensation in order to attract, motivate, and reward individuals in these key executive positions. The compensation peer group of 20 banks resulted in 8 new banks versus the prior year, and was selected based on certain current market criteria, including the following:

- Commercial loan portfolio > 40% of total loan portfolio
- No West Coast banks and no banks in major metro areas
- Non-performing assets / Total assets < 3%
- Return on average assets and Return on average equity > 0%
- Tangible equity and total equity as a percentage of assets
- The 3-year asset growth rate > 10% was removed as a filter

The companies that comprised the peer group in 2009 consisted of the following financial institutions, which had total asset size ranges from $2.6 billion to $9.7 billion at December 31, 2009:

Independent Bank Corporation	First Financial Bankshares, Inc.	Simmons First National Corporation
Pinnacle Financial Partners, Inc.	Tompkins Financial Corporation	City Holding Company
Glacier Bancorp, Inc.	Provident New York Bancorp	Home Bancshares, Inc.
Flushing Financial Corporation	Renasant Corporation	Union Bankshares Corporation
TowneBank	1st Source Corporation	Berkshire Hills Bancorp, Inc.
Southside Bancshares, Inc.	Bank of the Ozarks, Inc.	Lakeland Financial Corporation
IBERIABANK Coproration	Washington Trust Bancorp, Inc.	

The compensation committee reviews the composition of the peer group annually and may change it as a result of mergers, changes to banks within the group, or changes within the Company as noted above. The table below compares key performance measures of this peer group to the Company and was based upon December 31, 2009 financial results:

	Average for peers	**SCBT**
Return on average assets	0.83%	0.48%
Return on average equity	8.14%	4.66%
Net interest margin	3.6%	4.1%
Core EPS growth	-19.7%	-51.3%
Efficiency ratio	59.8%	61.2%
NPAs / Assets	1.76%	1.96%
Reserves / Loans	1.72%	1.70%
Tangible equity / tangible assets	9.00%	8.24%
Total equity / total assets	11.31%	10.47%

Total compensation for the top five executives was compared to the market peer group referenced above. The findings for the Company compared to the peer group during 2009 revealed that an aggregate total compensation for our named executive officers was 20% below the peer group's 50th percentile (excluding the 2009 equity grant received by three executives in exchange for canceling their SERPs). For each executive officer, total compensation was below the 50th percentile for the peer group. This was primarily due to base salaries being below the market median by 13% on average for the executive group and the fact that no cash incentives have been paid over the past two years. The long-term grants of equity over the past three years have helped bring the Company's pay closer to the peer group.

Role of the Chairman and Management

The compensation committee may receive recommendations from the chairman of the board with respect to the Chief Executive Officer's ("CEO") performance in light of goals and objectives relevant to the CEO compensation. The CEO reviews with the committee the performance of the other executive officers and, based on that review, the CEO makes recommendations to the compensation committee about the total compensation of executive officers (other than the CEO). The CEO does not participate in, and is not present during, deliberations or approvals by the compensation committee or the Board with respect to his own compensation.

In summary, the compensation program, as presented, is designed to be a competitive, performance-based program that is consistent with the Company's philosophy and culture. After reviewing all of the compensation arrangements discussed below, along with corporate and individual performance, we believe that the measurement tools, compensation levels and the design of the Company's executive compensation program are appropriate and motivate senior executives to lead the Company in the best interests of its shareholders.

Elements of Compensation

The fundamental philosophy of the Company's compensation program is to offer competitive compensation opportunities for executive officers that are (i) aligned with the performance of the Company on both a short-term and long-term basis, and (ii) based both on the individual's contribution and on the Company's performance. The compensation paid is designed to retain and reward executive officers who are capable of leading the Company in achieving its business objectives in an industry characterized by complexity, competitiveness and change. It is the intent of the committee to fulfill the Company's philosophy of providing a competitive base salary, relative to the peer group, complemented with significant performance-based incentives. Accordingly, the compensation committee reviews and approves the total compensation of the executive officers annually. Annual compensation for the named executive officers consists primarily of these elements:

Base Salary This fundamental component is determined based on historical and anticipated individual contribution and performance toward accomplishing the Company's stated objectives. It is also reviewed in the context of comparability with the key executives of the peer group above. We believe that the base annual salary levels for the named executive officers helps us to retain qualified executives and provides a measure of income stability that lessens potential pressures for the named executive officers to take risks to achieve performance measures under incentive compensation arrangements.

Short-Term Cash Incentive Program This program is directly linked to individual performance and the Company's soundness, financial performance, and growth. The Company elects to use this incentive structure as a means of measuring and rewarding annual Company and individual goal attainment with the intent of adding value for the Company's shareholders. These annual goals, over time, are designed to incrementally achieve the Company's long-term objectives. Per the short-term cash incentive program, the compensation committee has discretion relative to adjustments which may be made to the growth results for any given year, subject to Board approval. The growth results compared to the targets for 2009 are provided below. In 2009, the chief executive officer, the other named executive officers, and other senior executives participated in a performance-based short-term cash incentive program that was filed on March 15, 2005 as Exhibit 10.17 to the Company's Form 10-K for the year ended December 31, 2005. The chief executive officer and other executives will likewise participate in this same arrangement for 2010.

The short term cash incentive program provides that, in order for any cash incentives to be earned under the program, the Company's bank subsidiary must achieve the following:

1. Attain a prescribed level for its composite ratings from its principal banking regulator (the OCC).

2. Net income for the year must at least equal the net income from the prior year. Then, if the Company and its subsidiary's net incomes exceed the prior year's levels up to and beyond a budgeted dollar amount of increase, potential cash incentives accrue on a pro-rata basis up to a maximum of 110% of an aggregate cash incentive target level.

3. The incentive target levels for each named executive follows the prescribed formula as described below:

   - The incentive target level is determined as the aggregate dollar amount of the executive officers' planned bonuses expressed as a percent of annual salary.

   - The bonus percentage is currently 36% for the chief executive officer and ranges from 30% to 35% for the other named executive officers.

   - Attaining budgeted increases in the earnings performance component can contribute up to 40% of each executive's annual cash incentive.

   - Attaining budgeted increases in balances of total loans can contribute up to 20% of an executive's annual cash incentive.

   - Attaining budgeted increases in balances of deposits can also contribute up to 20% of an executive's annual cash incentive.

   - Each executive has individual and/or divisional goals, the attainment of which can contribute up to 20% of an executive's annual cash incentive.

The incentive payments associated with these performance-based measures are listed as Non-Equity Incentive Plan Compensation in the attached Summary Compensation Table. The purpose of this structure of compensation is for the Company to become more reliant on performance-based incentives. Performance-based compensation is intended to motivate employees to focus on overall Company performance and, in return, drive return on equity.

The following measures were achieved in 2009 compared to the targets set for 2009:

1. Overall loan growth for the Company was targeted at $115.8 million or 5.0% more than 2008. The Company's loan portfolio contracted by $112.8 million, or 4.9% during 2009.

2. Overall deposit growth for the Company was targeted at $133.5 million or 6.2% more than 2008. The Company's deposit base declined by $48.6 million or 2.3%.

3. Net earnings for 2009 were targeted to be $24.3 million or 53.7% more than 2008. The Company did not achieve at least the same level of earnings in 2009 as in 2008, due primarily to the increased provision for loan losses, other than temporary impairment recorded on certain investment securities and the charge recorded for preferred stock dividends and accreted discount recorded during 2009.

These factors, in combination with attaining personal goals, were reviewed and considered in determining what, if any, incentive payment should be paid.

For the estimated amounts which could be paid out under this program see the Grants of Plan Based Awards table.

Long-Term Retention and Incentive Plan The purpose of the SCBT Financial Corporation 2006 Long-Term Retention and Incentive Plan (the "Long-Term Retention and Incentive Plan") was to provide financial incentives for selected key officers and employees of the Company and its subsidiary.

This plan was put into place to promote the long-term growth and financial success of the Company by:

1. Attracting and retaining key officers and employees with outstanding ability;
2. Strengthening the Company's capability to develop, maintain, and direct a competent management team;
3. Providing an effective means for selected key officers and employees to acquire and maintain ownership of Company stock so as to align their interests with those of shareholders generally;
4. Motivating key officers and employees to achieve long-range performance goals and objectives; and
5. Providing incentive compensation opportunities competitive with those of other similarly sized financial services corporations.

The Long-Term Retention and Incentive Plan describes the terms pursuant to which the Company planned to issue stock options and restricted stock to key officers and employees. The stock options and restricted stock described in Long-Term Retention and Incentive Plan was reserved for issuance under, and was issued pursuant to, the Company's 2004 Stock Incentive Plan. For 2009, one-year performance goals were established; however, those goals were not met. Generally, the growth rates are set every three years and would have been set for 2010 through 2012 in 2009. However, given the continued strain in the economic environment and the difficulty with establishing reasonable long-term performance goals, the compensation committee has suspended the 2006 Long-term Retention and Incentive Plan, and established a new executive performance plan for 2010 (see below).

Typically, participants could have received payment under this plan based upon achieving any or all of three tiers relative to EPS and asset growth. The actual issuance of stock options and restricted stock under this plan were first made in 2007 based on 2006 performance.

In January 2010, there was no restricted stock granted to the named executive officers since the Company did not record earnings of at least what was made in 2009, which resulted in the three year negative CAGR for EPS and positive CAGR asset growth under this compensation plan.

This plan also contains certain look-back provisions relative to the two performance goals.

See the Grants of Plan Based Awards table for the estimated targets and the accompanying footnotes.

2010 Executive Performance Plan The compensation committee has implemented the 2010 Executive Performance Plan to replace the Long-term Retention and Incentive Plan in order to establish more reasonable goals and objectives in light of the current economic environment while still motivating and retaining the Company's named executive officers and certain other key employees. The four component parts of the plan are:

1. Formula Based Cash Incentive cash payouts capped at 50% of the opportunity levels previously approved in early 2009 which the Company will accrue and pay out upon achievement of certain goals at threshold, target and maximum levels as further described below;

2. Discretionary Based Cash Incentive cash payouts on a discretionary basis if financial performance is materially above established goals;

3. Restricted Stock Plan issuance of shares of restricted stock to be based upon achievement of certain goals at threshold, target and maximum levels to be issued pursuant to the Company's 2004 Stock Incentive Plan; and

4. Discretionary Based Stock Options issuances of stock options on a discretionary basis pursuant to the Company's 2004 Stock Incentive Plan.

Performance-Based Goals

The performance-based plan goals are divided into three categories (with one category further subdivided into three subcategories) with certain weight given to each category or sub-category. Those categories include "Soundness" as it relates to asset quality and bank regulator composite rating, "Profitability" or net income, and "Loan and Deposit Growth".

Participants under the plan are eligible to receive payouts pursuant to the plan if certain goals are achieved at three levels: threshold, target or maximum.

The "Soundness" goal is measured based on the following components: receiving a prescribed rating from the principal bank regulator that is at least as high as our most recent rating, maintaining a percentage of non-performing assets of under 3.0% (threshold and target) or 2.8% (maximum), and attaining a level of classified assets under each prescribed level. The "Soundness" goal is currently weighted at 50% of the total opportunity under the performance based plan.

The "Profitability" goal is achieved by earning the amount that was earned in the prior year, reaching the budgeted amount, or reaching 110% of the budget. This goal is weighted at 25% of the total opportunity under the performance based plan.

The "Loan and Deposit Growth" goal is achieved by not having any material decline in either loan or deposits during the year. This goal is weighted at 25% of the total opportunity under the performance based plan.

Formula Based Cash Incentive

The formula based cash incentive is based upon achievement of goals at threshold, target and maximum levels as shown above. The following table shows the percentages of each participant's base salary that the participant is eligible to receive if the performance-based goals of the Company are achieved at the threshold (55% of maximum opportunity), target (80% of maximum opportunity), or maximum levels.

		2010 Formula Based Cash Incentive Plan		
Name	**Position**	**Threshold**	**Target**	**Maximum**
Achievement of Performance Goals		**55.0%**	**80.0%**	**100.0%**
Robert Hill	CEO	22.0%	32.0%	40.0%
John Pollok	COO	19.3%	28.0%	35.0%
John Windley	President	16.5%	24.0%	30.0%
Tom Camp	President & CEO	16.5%	24.0%	30.0%
Joe Burns	Chief Credit Officer	16.5%	24.0%	30.0%
Donnie Pickett	CFO	16.5%	24.0%	30.0%

Discretionary Based Cash Incentive

Participants would only become eligible for the discretionary based cash incentive component if there is a material increase in the Company's net income for 2010. The compensation committee has the discretion to set the level of payouts that each participant would receive.

Restricted Stock Plan

Shares of restricted stock will be granted by tier (Tier 1, Tier 2 and Tier 3) based on achievement of one of the threshold, target or maximum levels under the formula based cash incentive component. The following table shows the percentage of the participant's salary that the participant would be eligible to receive in shares of restricted stock pursuant to the Company's 2004 Stock Incentive Plan if the Company achieves the performance-based goals at the opportunity levels listed below. If there is extraordinary performance in 2010, the compensation committee would have the ability to grant beyond the Tier 3 level on a discretionary basis.

		Restricted Stock Opportunities			
Name	**Position**	**Threshold Tier 1**	**Target Tier 2**	**Max Tier 3**	**Extraordinary Discretionary**
Achievement of Performance Goals		**55.0%**	**80.0%**	**100.0%**	Discretionary
Robert Hill	CEO	43.0%	62.0%	78.0%	Discretionary
John Pollok	COO	25.0%	36.0%	45.0%	Discretionary
John Windley	President	22.0%	32.0%	40.0%	Discretionary
Tom Camp	President & CEO	14.0%	20.0%	25.0%	Discretionary
Joe Burns	Chief Credit Officer	19.0%	28.0%	35.0%	Discretionary
Donnie Pickett	CFO	14.0%	20.0%	25.0%	Discretionary

Discretionary Based Stock Options

The Board has the ability to grant stock options pursuant to the Company's 2004 Stock Incentive Plan on a discretionary basis.

The plan itself will not create any rights on behalf of any officer or employee to receive cash incentives, restricted stock or stock options. Any payouts that could be made pursuant to the plan would be paid before March 15, 2011.

Stock Based Benefit Plan The Company, from time to time, also grants stock options to its executive officers. These stock-based incentive awards help align the interests of the Company's executive officers with the interests of the shareholders of the Company by providing economic value directly related to increases in the value of the Company's stock. The number of options granted to executive officers during any given year is based on a number of factors, including job performance, seniority, job responsibilities, company performance as to earnings and growth, the amount of awards made in prior years, and industry information from compensation consultants and published surveys regarding stock-based awards granted to officers employed by comparable companies. Any stock options granted are strictly at the discretion of the board of the Company upon recommendation of the compensation committee. Incentive stock options received in 2010 in recognition of the named executive officer's 2009 contribution are as follows: Mr. Hill, 9,307; Mr. Pollok, 5,426; Mr. Windley, 3,417; Mr. Burns, 3,020; and Mr. Camp, 2,103. Incentive stock options received in 2009 in recognition of the named executive officer's 2008 contribution are as follows: Mr. Hill, 9,016; Mr. Pollok, 5,246; Mr. Windley, 3,304; and Mr. Camp, 2,075.

See the Grants of Plan Based Awards table of stock option grants by executive during 2009.

Employee & Executive Benefits

Employees' Pension Plan The executives are participants in a noncontributory defined pension plan which covers substantially all employees hired before January 1, 2006 of the Company. Pension benefits are paid based upon age of the employee and years of service. If an executive had attained age 45 and had five or more years of vesting service as of January 1, 2006, the executive is entitled to annual pension benefits beginning at normal retirement age (65) equal to 0.90% of his or her final five-year average annual compensation of each year of service up to a maximum of 35 years, plus 0.65% of his or her final five-year average annual compensation in excess of covered compensation for each year of service up to a maximum of 35 years. Employees who had not attained age 45 or who did not have five years of vesting service as of January 1, 2006 are entitled to annual pension benefits beginning at normal retirement age equal to the sum of (1) and (2) below:

1. Accrued benefit through December 31, 2005
   a. 0.90% of their final five-year average annual compensation for each year of service up to a maximum of 35 years; plus
   b. 0.65% of their final five-year average annual compensation in excess of covered compensation for each year of service up to a maximum of 35 years
2. Accrued benefit on and after January 1, 2006

   0.30% of their final five-year average annual compensation for each year of service up to maximum of 35 years; plus

   0.2% of their final five-year average annual compensation in excess of covered compensation for each year of service up to a maximum of 35 years.

Employees hired on or after January 1, 2006 are not eligible to participate in the plan. Employees rehired after January 1, 2006 who had originally been hired prior to January 1, 2006 are eligible to participate upon their rehire date.

See the Pension Benefits table and the accompanying footnotes and narrative for more information.

Employees' Savings Plan-401(k) The executives are participants in a defined contribution plan which covers all employees of the Company who work twenty or more hours per week and are age twenty-one or older. If a participant had attained the age of 45 and had at least five vesting years of service as of January 1, 2006, the Company contributes 50% of the first 6% of base compensation that a participant contributes to the Plan up to a maximum of 3% of base compensation. For employees who had not attained age of 45, or had less than five vesting years of service as of January 1, 2006, the Company will contribute 100% of the first 6% of base compensation that a participant contributes. For employees hired on or after January 1, 2006, the Company will contribute 100% of the first 6% of base compensation that a participant contributes. Employer contributions may be made from current or accumulated net profits. Contributions are subject to certain limitations.

The Company provides the employees pension plan and 401(k) plan as part of a compensation arrangement that is designed to provide competitive benefits that help attract and retain qualified executives.

See the table in footnote 6 of the Summary Compensation Table.

Supplemental Executive Retirement Plan The Company provides non-qualified supplemental executive retirement plan (SERP) agreements for its chief executive officer, the other named

executive officers, and certain other executives. The Company elects to offer this type of incentive as a way to retain executives over the long term and to provide a partial offset to shortfalls in the percentage of income provided for retirement by its qualified retirement plans.

At the end of 2008, Mr. Windley and Mr. Camp had SERPs which had been in place prior to the 2008 fiscal year. As of December 31st, 2008, Mr. Hill, Mr. Pollok and Mr. Burns cancelled the SERP agreements and relinquished certain rights and benefits that had been in place for these three executives. On January 22, 2009, each of these three officers received restricted stock grants in lieu of their cash-based SERP agreements. These restricted stock based equity grants are hereinafter referred to as the "Equity SERP." The replacement of the cash-based SERP with the Equity SERP was executed for a number of reasons. First, the use of the Equity SERP for these three officers ensures that the primary focus is on the long-term interests of the shareholders, in addition to ensuring that the officers are motivated to remain with the Company over a long-term period. Unlike the cash-based SERP, the officers are motivated to ensure that our shareholders receive a superior return over a long-term period. The Equity SERP vests over the remaining working years until normal retirement age of each officer much in the same way as the previous cash-based SERP. Second, by utilizing the Equity SERP, the Company will realize considerable accounting savings over the lifetime of the arrangement. Over the lifetime of the arrangements, the Company expects to realize approximately $5.5 million in benefit expense savings compared to the cancelled SERP agreements. Lastly, the Equity SERP concept was targeted to officers with sufficient remaining working life to ensure that present market volatility was not a detriment in taking the Equity SERP approach.

On November 1, 2006, the Company approved updated or new supplemental executive retirement agreements with the named executive officers and certain other executives.

See the Pension Benefits table and the accompanying footnotes and narrative for more information.

Deferred Compensation Plan The Company has adopted a deferred compensation plan in which executive officers and certain other officers are entitled to participate. The Company offers this plan to help offset limits associated with other forms of tax-deferred benefits and to provide the opportunity for participants to defer income to save for retirement or other future events. Under the plan, directors and executive officers may defer all or a portion of their compensation from the Company, with no matching by the Company of the deferred amounts, and treat these amounts as though they were invested in one or more deemed investment options designated by the plan. Amounts payable under the plan remain general obligations of the Company and are payable by the Company at the future times (or over the periods) designated by plan participants upon their enrollment in the plan and their annual renewal of enrollment. The Company provides neither enhanced returns nor any other amounts above the deemed investment option returns, which may be negative returns.

See the discussion entitled Deferred Compensation Plan on page 31 for additional information.

Perquisites The Company also provides some perquisites for senior management that are not available to all employees. Some examples of these include bank-owned automobiles, club and membership dues and living expense reimbursements related to relocation. The values of these items are presented in the Summary Compensation Table under the heading All Other Compensation. The value attributable to any personal use of bank-owned automobiles is considered compensation to the executive and represents the aggregate incremental cost to the Company associated with that personal use. The Company and the board believe that the use of each of these perquisites is helpful for the proper performance of the named executive officers' duties.

Discretionary Retention Compensation Based upon the desire to maintain consistency within the executive management team, the desire to retain these executives, a review of peer group compensation levels, and the Company's performance in very difficult economic and operating environment, the compensation committee and Board of Directors approved a level of discretionary compensation for the named executive officers that was provided to them in 2010 that is designed to enhance retention. The level of compensation was derived after considering the executive's compensation relative to our peer group and the amount of bonus and incentive plan payment that could have been received in recent years but was not due in large part to overall economic conditions. This compensation was structured to encourage retention and paid in the following form:

- One third in a retention cash bonus;

- One third in stock options; and