

UNITED COMMUNITY BANKS INC  
Form DEF 14A  
March 24, 2017

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  x  
Filed by a Party other than the Registrant  o

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:

(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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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**125 HIGHWAY 515 EAST**

**BLAIRSVILLE, GEORGIA 30514-0398**

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The 2017 Annual Meeting of Shareholders of United Community Banks, Inc. (“United”) will be held on May 10, 2017 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia. This year you will be asked to vote on the following items of business:

1. To elect ten 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, on an advisory basis, the compensation of our Named Executive Officers;
3. To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2017; and
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 11, 2017 will be entitled to notice of, and to vote at, the meeting. A Notice of Internet Availability of Proxy Materials is 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 to our shareholders, instead of a paper copy of our “Proxy Materials,” which include this Proxy Statement, our 2016 Annual Report to Shareholders and our Annual Report on Form 10-K for the year ended December 31, 2016, with instructions on how to access such Proxy Materials over the

Internet.

It is important that your shares are represented and voted at the 2017 Annual Meeting of Shareholders. 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 or telephone (see instructions on the Notice of Internet Availability of Proxy Materials). Or, if you are a registered shareholder and have not voted online by April 17, 2017, you may receive a second mailing with the proxy card and instructions on how to vote 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.

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,  
*Chairman and Chief Executive Officer*

March 31, 2017

**WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE 2017 ANNUAL MEETING OF SHAREHOLDERS,**

**PLEASE VOTE BY TELEPHONE OR INTERNET PROMPTLY SO THAT YOUR VOTE MAY BE RECORDED.**

Table of Contents

**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <u>INFORMATION ABOUT THE PROXY MATERIALS</u>   | 1           |
| <u>Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 10, 2017</u>                             | 1           |
| <u>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?</u> | 1           |
| <u>INFORMATION ABOUT THE ANNUAL MEETING</u>  | 2           |
| <u>What will I be voting on at the 2017 Annual Meeting?</u>  | 2           |
| <u>Will other matters be voted on at the 2017 Annual Meeting?</u>  | 2           |
| <u>Who is entitled to vote?</u>  | 2           |
| <u>What other information should I review before voting?</u>   | 2           |
| <u>How do I cast my vote?</u>  | 2           |
| <u>May I change by vote?</u>   | 3           |
| <u>How many votes must be present to hold the 2017 Annual Meeting?</u>   | 3           |
| <u>What vote is required to approve each proposal?</u>   | 3           |
| <u>How are votes counted?</u>  | 3           |
| <u>How can I pre-register to attend the 2017 Annual Meeting?</u>   | 4           |
| <u>PROPOSAL 1: ELECTION OF DIRECTORS</u>   | 5           |
| <u>Information Regarding Nominees for Director</u>   | 5           |
| <u>Recent Changes</u>  | 9           |
| <u>Board Independence</u>  | 9           |
| <u>Board Leadership</u>  | 9           |
| <u>Family Relationships</u>  | 9           |
| <u>Risk Oversight</u>  | 10          |
| <u>Shareholder Communications</u>  | 10          |
| <u>Director Nominations</u>  | 10          |
| <u>Board Meetings</u>  | 11          |
| <u>Board Committees</u>  | 11          |
| <u>Majority Vote Requirement</u>   | 12          |
| <u>Vote required</u>   | 13          |
| <u>Recommendation</u>  | 13          |
| <u>CORPORATE GOVERNANCE</u>  | 14          |
| <u>Code of Ethical Conduct</u>   | 14          |
| <u>Certain Relationships and Related Transactions</u>  | 14          |

Table of Contents

|   | <b>Page</b> |
|---|-------------|
| <u>COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS</u>   | 15          |
| <u>Compensation Discussion and Analysis</u>   | 15          |
| <u>Executive Compensation</u>   | 28          |
| <u>Severance and Employment Agreements</u>  | 32          |
| <u>Director Compensation</u>  | 34          |
| <u>Compensation Committee Interlocks and Insider Participation</u>  | 35          |
| <u>Compensation Committee Report</u>  | 35          |
| <br><u>PRINCIPAL AND MANAGEMENT SHAREHOLDERS</u>  | <br>36      |
| <br><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>  | <br>38      |
| <br><u>AUDIT COMMITTEE REPORT</u>   | <br>39      |
| <br><u>PROPOSAL 2: APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>  | <br>40      |
| <br><u>PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF UNITED'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANT</u> | <br>41      |
| <br><u>OTHER MATTERS</u>  | <br>42      |
| <u>Independent Registered Public Accountants</u>  | 42          |
| <u>Expenses of Solicitation</u>   | 42          |
| <u>Shareholder Proposals and Recommendation for Director Nominees</u>                                       | 42          |
| <u>Information Incorporated by Reference</u>  | 43          |
| <u>Other Business</u>   | 43          |

Table of Contents

March 31, 2017

**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. (“United”) for use at the 2017 Annual Meeting of Shareholders (the “Annual Meeting”) to be held on Wednesday, May 10, 2017 at 2:00 p.m. at The Ridges Resort, 3499 Highway 76 West, Young Harris, Georgia, and at any adjournments or postponements of the 2017 Annual Meeting. For directions to the 2017 Annual Meeting, visit [www.theridgesresort.com](http://www.theridgesresort.com) or call (866) 270-5900 and an Investor Relations professional can assist you.

In this Proxy Statement, we use terms such as “we,” “us,” “our,” “United” and the “Company” to refer to United Community Banks, Inc. and its subsidiary, United Community Bank (the “Bank”). We also sometimes refer to the Board of Directors of United Community Banks, Inc. as the “Board.” Additionally, we use terms such as “you” and “your” to refer to our shareholders.

In this Proxy Statement, we refer to the Notice of Annual Meeting of Shareholders, this Proxy Statement, our 2016 Annual Report to Shareholders and our Annual Report on Form 10-K for the year ended December 31, 2016 voting instruction form as our “Proxy Materials.”

**INFORMATION ABOUT THE PROXY MATERIALS**

**Important Notice Regarding the Availability of Proxy Materials For The Shareholder Meeting To Be Held On May 10, 2017**

We have posted materials related to the 2017 Annual Meeting on the Internet. The following materials are available on the Internet at [www.cstproxy.com/ucbi/2016](http://www.cstproxy.com/ucbi/2016):

This Proxy Statement for the 2017 Annual Meeting;

United's 2016 Annual Report to Shareholders; and

United's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC.

**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 to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. The Notice of Internet Availability of Proxy Materials was first sent or given to shareholders on March 31, 2017.

All shareholders will have the ability to access the Proxy Materials via the Internet by going to [www.cstproxy.com/ucbi/2016](http://www.cstproxy.com/ucbi/2016) or by requesting 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 of Internet Availability of Proxy Materials.

Table of Contents

**INFORMATION ABOUT THE ANNUAL MEETING**

**What will I be voting on at the 2017 Annual Meeting?**

This year you will be asked to vote on the following items of business:

Proposal 1 - Election of ten directors to constitute the Board of Directors (the “Board”) to serve until the next Annual Meeting and until their successors are elected and qualified;

Proposal 2 - Approval, on an advisory basis, of the compensation of our Named Executive Officers as disclosed in this Proxy Statement; and

Proposal 3 - Ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2017.

**Will other matters be voted on at the 2017 Annual Meeting?**

We are not aware of any other matters to be presented at the 2017 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.

**Who is entitled to vote?**

All shareholders of record of United’s Common Stock at the close of business on March 11, 2017, which is referred to as the record date, are entitled to receive notice of the 2017 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.

**What other information should I review before voting?**

You should review United's 2016 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, 2016, before voting. Copies of these documents may be obtained without charge by:

Accessing United's website at [www.ucbi.com](http://www.ucbi.com); or

Writing to the Secretary of United at Post Office Box 398, Blairsville, Georgia 30514-0398.

You may also obtain copies of United's Annual Report on Form 10-K by accessing the EDGAR database at the SEC's website at [www.sec.gov](http://www.sec.gov) or from the SEC at prescribed rates by writing to the Public Reference Room of the SEC, 100 F. Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information.

### **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.cstproxyvote.com](http://www.cstproxyvote.com). Alternatively, you may vote your shares by telephone if you reside in the United States, Canada or the United States territories or in person at the 2017 Annual Meeting.

If you are a registered shareholder and have not voted your shares by April 17, 2017, you may receive a proxy voting card by mail. At that time, you may also vote by mail by completing the proxy card and following the instructions provided.

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 vote your shares.

Table of Contents

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

**May I change my vote?**

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

· Filing a written revocation with the Secretary of United at Post Office Box 398, Blairsville, Georgia 30514-0398; or

· Appearing in person and electing to vote by ballot at the 2017 Annual Meeting.

Any shareholder of record as of the record date attending the 2017 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 2017 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.

**How many votes must be present to hold the 2017 Annual Meeting?**

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 2017 Annual Meeting. As of the record date, there were 70,966,488 voting shares of Common Stock outstanding and entitled to vote at the 2017 Annual Meeting.

**What vote is required to approve each proposal?**

The required vote for each proposal at the 2017 Annual Meeting is as follows:

Proposal 1 - For the election of directors, those nominees receiving the greatest number of votes at the 2017 Annual Meeting shall be deemed elected, even though the nominees may not receive a majority of the votes cast. However, as described in Proposal 1: Election of Directors — Majority Vote Requirement, under certain circumstances, nominees who are elected receiving less than a majority vote may be asked to resign;

Proposal 2 - For the approval, on an advisory basis, of the compensation of our Named Executive Officers as disclosed in this Proxy Statement, the vote of a majority of the voting shares of Common Stock voted on the matter; and

Proposal 3 - For the ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2017, the vote of a majority of the voting shares of Common Stock voted on the matter.

For any other business at the 2017 Annual Meeting, the vote of a majority of the voting shares of Common Stock 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 Proposal 1: Election of Directors — 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 impact 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 impact 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.

Table of Contents

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.

**How can I pre-register to attend the 2017 Annual Meeting?**

To pre-register to attend the 2017 Annual Meeting you may:

- Follow the instructions at [www.cstproxy.com/ucbi/2016](http://www.cstproxy.com/ucbi/2016);
- Email [Investor\\_Relations@ucbi.com](mailto: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.

Table of Contents

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

The Bylaws of United provide that the number of directors on United's Board may range from eight to fourteen. The Board of United has set the number of directors at ten. The number of directors may be increased or decreased from time to time by the Board by resolution, but no decrease shall shorten 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. All of the directors of United also serve on the Board of Directors of the Bank.

**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. All of the nominees for director are existing directors that have been nominated by the Board for re-election.

*Robert H. Blalock Director since 2000*

*Age 69*

*Audit Committee*

*Risk Committee*

*Nominating/Corporate Governance Committee*

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 member of the board of directors 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.

Mr. Blalock is a graduate of University of Georgia and served as an Infantry Officer in the United States 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.

Mr. Blalock's extensive knowledge and business experience, as well as involvement in our banking communities, provide critical insight to our Board. His 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 member of the board of directors 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 40 plus years of business experience and over 25 years of bank board experience make him well suited to serve on the Board.

*L. Cathy Cox Director since 2008*

*Age 58*

*Audit Committee*

*Risk Committee*

*Nominating/Corporate Governance Committee Chairman*

*Compensation Committee Chairman*

Ms. Cox has served as 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, doubled student enrollment and the size of the faculty of the institution and added more than \$100 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 Commissioner of Securities, overseeing the regulation of the securities industry within the state, and 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.

Table of Contents

Ms. Cox provides a very unique combination of legal, governmental and educational experience to the Board. 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 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.

*Kenneth L. Daniels Director since 2015*

*Age 65*

*Risk Committee Chairman*

*Nominating/Corporate Governance Committee*

*Compensation Committee*

Mr. Daniels began his career at First Union National Bank (now Wells Fargo) where he served as a Senior Commercial Loan Officer and Commercial Financial Analyst. In 1983, he joined BB&T and led various credit and risk management functions as the company grew from \$2 billion to \$187 billion in assets. In 2003, he was promoted to Chief Credit Risk and Policy Officer and later to Senior Risk Advisor, a position he held until his retirement in 2014.

Mr. Daniels is past President and Chair of both the Carolinas/Virginia Chapter and the Eastern North Carolina Chapter of the Risk Management Association ("RMA"). During his career, he served on the RMA's National Agricultural Lending Council, the National Credit Risk Council, the Allowance for Loan and Lease Losses Roundtable and the Commercial Risk Grading Roundtable. He graduated from the RMA/Wharton Advanced Risk Management Program at The Wharton School of Business and also earned an M.B.A. degree at East Carolina University and a bachelor's degree at the University of North Carolina, Chapel Hill.

Mr. Daniel's 38 years as a banking leader and risk professional with extensive experience in loan portfolio management, regulatory requirements, policy development and data integrity provides the Board with a depth of banking and risk expertise and offers the perspective of a large regional banking institution to the Board. For these reasons, the Board believes Mr. Daniels is well suited to serve on the Board.

*H. Lynn Harton Director Since 2015*

*Age 55*

*President and Chief Operating Officer*

Mr. Harton serves as President and Chief Operating Officer of United and of the Bank. Mr. Harton has served as Chief Operating Officer of United since September 2012. Prior to joining United, from 2010 to 2012, Mr. Harton was Executive Vice President and Head of Commercial Banking-South of Toronto-Dominion Bank ("TD Bank"). From 2009 to 2010, Mr. Harton served as President and Chief Executive Officer of The South Financial Group ("TSFG"), and

from 2007 to 2009 was Chief Risk and Chief Credit Officer of the same company. During his time at TSFG, Mr. Harton raised capital to support TSFG during the financial crisis, negotiated the sale of the company to TD Bank, and, post-sale, led the successful integration of TSFG into TD Bank. Prior to joining TSFG, from 2003-2007 Mr. Harton was Chief Credit Officer of Regions Financial Corporation and Union Planters Corporation. He also has previously held various executive positions at BB&T.

Mr. Harton earned his bachelor's degree from Wake Forest University and has participated in various executive programs at Duke University, Wharton, Columbia, Northwestern, University of North Carolina and University of South Carolina. He is a member of the RMA National Community Bank Council and a member of the RMA Board of Directors. He also has served on a number of additional financial boards and committees throughout his career, including the Palmetto Business Forum, RMA National Credit Risk Council, CBA National Small Business Banking Committee, and the Equifax Small Business Financial Exchange.

As President and Chief Operating Officer, Mr. Harton is one of two officers serving on our Board. With more than 30 years of experience in the banking and finance industry, Mr. Harton has extensive experience with respect to lending, risk management, credit administration and virtually all other aspects of United's business. Mr. Harton's leadership, experience and good judgment make him well suited to serve on the Board.

Table of Contents

*W. C. Nelson, Jr. Director since 1988*

*Age 73*

*Lead Director*

*Audit Committee*

*Risk Committee*

*Nominating/Corporate Governance Committee*

*Compensation Committee*

Mr. Nelson has served on the Board of United since its formation in 1988 and has served as Lead Director since February 2015, Chairman from March 2012 through February 2015 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 is a member-emeritus of the Union County Development Board where he previously served as a member for more than 30 years and as Chairman for 15 years. Mr. Nelson is currently on the Young Harris Board of Associates and the Blairsville Downtown Development Authority and formerly served as a member of the Tennessee Valley Authority Regional Resource Stewardship Council for 12 years.

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 ability, Mr. Nelson brings to the Board 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.

*Thomas A. Richlovsky Director since 2012*

*Age 65*

*Audit Committee Chairman*

*Risk Committee*

*Nominating/Corporate Governance Committee*

Mr. Richlovsky served as 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 certified public accountant.

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 making him well suited to serve on the Board.

*David C. Shaver Director since 2016*

*Age 67*

*Audit Committee*

*Nominating/Corporate Governance Committee*

Mr. Shaver is Chief Executive Officer and founder of Cost Segregation Advisors, LLC, a national income tax advisory services company formed in 2006 in Atlanta as an outgrowth of Shaver's accounting practice that focuses on commercial real estate owners and leaseholders. Previously, Shaver was an initial partner with Tatum Partners, now a division of Randstad, and was Chief Financial Officer and an equity partner of International Automotive Corp. Inc. Shaver's prior experience also includes serving as Controller for The Home Depot, Inc., where he directed financial operations, financial planning and other matters. Prior to his experience with The Home Depot, Inc., Mr. Shaver served as Controller for a W.R Grace Retail Group subsidiary and as Controller for Anomalous, Inc., an international subsidiary of Levi Strauss & Co. Mr. Shaver is active in his community as well and, for two years, has devoted himself to forensic accounting and crisis management for his church in the office of the finance manager. Mr. Shaver received his bachelor's degree from University of Tennessee, is a certified public accountant licensed in Georgia and Tennessee and is a member of The American Institute of CPAs, Georgia Society of CPAs, Tennessee Society of CPAs and MENSA. Mr. Shaver qualifies as a financial expert on the Audit Committee.

Table of Contents

Mr. Shaver has extensive accounting and finance experience, having served in senior executive positions in finance, accounting and taxes at major organizations including operating an advisory and accounting practices firm. Mr. Shaver's expertise and experience in these finance-related areas provide a valuable perspective to United's Board making him well suited to serve on the Board.

*Jimmy C. Tallent Director since 1988*

*Age 64 Chairman and Chief Executive Officer*

Mr. Tallent currently serves as Chairman and Chief Executive Officer of United and the Bank. Mr. Tallent has served as Chief Executive Officer of United from the time it was formed in 1988 and has served as Chairman of the Board since February 2015. He has also served as Chief Executive Officer of United's wholly-owned subsidiary, United Community Bank, since 1984. 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 \$10.7 billion in assets and 139 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, the Georgia Chamber of Commerce 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 and the Global Health Action 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 Chairman and Chief Executive Officer, Mr. Tallent is one of two officers serving 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.

*Tim R. Wallis Director since 1999*

*Age 65 Nominating/Corporate Governance Committee  
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 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, as well as his experience with statewide commerce, the Board believes Mr. Wallis is well suited to serve on the Board.

Table of Contents

*David H. Wilkins Director since 2016*

*Age 70*

*Risk Committee*

*Nominating/Corporate Governance Committee*

Ambassador Wilkins is a partner at Nelson Mullins Riley & Scarborough LLP in Greenville, South Carolina and chairs the Public Policy and International Law practice group with a special focus on U.S. - Canada interests. He proudly served as U.S. ambassador to Canada from June 2005 to January 2009, appointed by President George W. Bush. Since returning to South Carolina from Canada, Ambassador Wilkins spent six years chairing the Clemson University Board of Trustees and remains an active member of that board. He is on the Board of Directors of the Greenville Chamber of Commerce and is a member of both the South Carolina Bar Association and the American Bar Association. Additionally, he sits on the boards of Porter Airlines, Mattamy Homes and Resolute Forest Products. In 2010, then South Carolina's Governor-elect Nikki Haley tapped Wilkins to chair her government transition team. First elected in 1980, Ambassador Wilkins served 25 years in the South Carolina House of Representatives. He was elected speaker in 1994 – a position he held for 11 years until he resigned for his ambassadorship post. He is the recipient of numerous awards including the state's highest honor, the Order of the Palmetto. Mr. Wilkins received his bachelor's degree from Clemson University and his J.D. degree from University of South Carolina School of Law.

Mr. Wilkins has extensive legal, regulatory and governance experience, having served in a senior position in a law firm, U.S. Ambassador and State House of Representatives. Mr. Wilkins' legal and governance experience provides a valuable perspective to United's Board making him well suited to serve on the Board.

**Recent Changes**

Former director Dr. Steven Goldstein retired from the Board effective March 1, 2016 for health reasons. Mr. Daniels replaced Dr. Goldstein as chairman of the Risk Committee upon Dr. Goldstein's retirement. Nicholas B. Paumgarten did not seek re-election to the Board in 2016, and his service on the Board ended following the 2016 Annual Meeting. We thank Dr. Goldstein and Mr. Paumgarten for their many contributions to the Board.

On August 10, 2016, the Company announced that the Board appointed David C. Shaver and David H. Wilkins to serve as Board members until the Company's 2017 Annual Meeting.

**Board Independence**

The Board has considered and determined that a majority of the members of the Board are independent, as defined under applicable federal securities laws and the NASDAQ listing requirements. During 2016, the independent directors were directors Blalock, Cox, Daniels, Goldstein, Nelson, Paumgarten, Richlovsky, Shaver, Wallis and Wilkins. The independent directors meet in executive sessions every quarter without management.

### **Board Leadership**

The Board has elected Jimmy C. Tallent, United's Chief Executive Officer, as Chairman, and W.C. Nelson, Jr. as Lead Director. The Board believes at this time that its current structure best serves the interests of shareholders and that the appointment of one of its independent directors as Lead Director ensures that United benefits from effective oversight by its independent directors. This combination yields deep experience in United's organization, strategy and markets, provided by Mr. Tallent, coupled with independent, shareholder-focused leadership from a substantial shareholder, provided by Mr. Nelson.

### **Family Relationships**

There are no family relationships between any director, executive officer (as defined by Item 401 of Regulation S-K), or nominee for director of United.

Table of Contents

**Risk Oversight**

United believes its risk management structure facilitates careful oversight of risk to United. Risk oversight of United is the responsibility of the Board. In such capacity, the Board receives and discusses regular reports prepared by United's senior management, including the Chief Risk Officer, on areas of material risk to United. The Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) uses these reports to enable it to understand the risk identification, risk management and risk mitigation strategies being used by United and to ensure that the strategies are implemented appropriately.

To further support the risk management function United also has a Risk Committee comprised solely of independent directors. The Risk Committee provides strong oversight by the independent directors by meeting frequently in executive sessions of the Board without management. These executive sessions allow the committee to review key decisions and discuss matters in a manner that is independent of management.

**Shareholder Communication**

The Board maintains a process for shareholders to communicate with the Board. Shareholders wishing to communicate with the Board should send any communication in writing to the Secretary, United Community Banks, Inc. Post Office 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 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.

**Director Nominations**

*General*

The Board nominates individuals for election to the Board based on the recommendations of the Nominating/Corporate Governance Committee. A candidate for the Board 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. 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, the Nominating/Corporate Governance Committee will consider and review an existing director's Board and committee attendance and performance.

*Shareholder Nominations*

The Board 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 in accordance with the procedures available on United's website, [www.ucbi.com](http://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:

- o The name and business or residence address of the nominee;

Table of Contents

- o An Interagency Biographical and Financial Report available from the Federal Deposit Insurance Corporation completed and signed by the nominee;
  - o The number of shares of Common Stock of United which are beneficially owned by the person;
  - o The total number of shares that, to the knowledge of the nominating shareholder, would be voted for such person; and
  - o The signed consent of the nominee to serve, if elected.
- A shareholder nomination for director must also set forth, as to each nominee such shareholder proposes to nominate:
- o The name and residence address of the nominating shareholder; and
  - o The class and number of shares of Common Stock of United which are beneficially owned by the nominating shareholder.

Notices shall be sent to the Secretary, United Community Banks, Inc., Post Office Box 398, Blairsville, Georgia 30514-0398. There were no director nominations proposed for the 2017 Annual Meeting by any shareholder.

**Board Meetings**

The Board held six meetings during 2016. 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 2016. Directors are expected to be present at United's Annual Meeting. Eight of the directors attended United's 2016 Annual Meeting.

**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. Committee charters are available on United's website, [www.ucbi.com](http://www.ucbi.com).

Identified below are the members of the committees as of March 3, 2017 (M — member; C — chairman):

| <b>Name</b>          | <b>Audit</b> | <b>Risk</b> | <b>Nominating/<br/>Corporate<br/>Governance</b> | <b>Compensation</b> |
|----------------------|--------------|-------------|---|---------------------|
| Robert H. Blalock    | M            | M           | M   | —                   |
| L. Cathy Cox         | M            | M           | C   | C                   |
| Kenneth L. Daniels   | —            | C           | M   | M                   |
| H. Lynn Harton       | —            | —           | —   | —                   |
| W. C. Nelson, Jr.    | M            | M           | M   | M                   |
| Thomas A. Richlovsky | C            | M           | M   | —                   |
| David C. Shaver      | M            | —           | M   | —                   |
| Jimmy C. Tallent     | —            | —           | —   | —                   |
| Tim R. Wallis        | —            | —           | M   | M                   |
| David H. Wilkins     | —            | M           | M   | —                   |

Table of Contents

*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. 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 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 has determined that all of the members of the Audit Committee are "financially sophisticated," as defined under the NASDAQ listing requirements, and that directors Richlovsky and Shaver qualify as "audit committee financial experts" in accordance with the applicable rules and requirements of the SEC.

The Audit Committee met 12 times during 2016.

*Risk Committee*

The Risk Committee assists the Board in its general oversight of the Company's risk management processes and is responsible for an integrated effort to identify, assess and manage or mitigate material risks facing the Company. The Risk Committee's 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 four times during 2016.

*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 nominees for election and candidates for each committee appointed by the Board.

The Nominating/Corporate Governance Committee met two times during 2016.

#### *Compensation Committee*

The primary function of the Compensation Committee is to assist the Board in fulfilling its oversight responsibilities by designing and monitoring compensation policies and programs to assure that the compensation payable to the executive officers of the Company provides overall competitive pay levels, creates proper incentives to enhance shareholder value and rewards superior performance. Consistent with this function, and subject to Board oversight, the Compensation Committee also has responsibilities with respect to designing, approving, evaluating and administering the executive and director compensation policies and programs of the Company and approving and evaluating Company compensation policy for non-executive employees of the Company.

The Compensation Committee met six times during 2016.

#### **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 disagrees with those voting against that director's election.

Table of Contents

**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 as a substitute nominee but in no event will the proxy be voted for more than ten 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 Proposal 1: Election of Directors — Majority Vote Requirement, under 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 impact on the outcome of a vote.

**Recommendation**

**The Board recommends you vote “FOR” each nominee for director.**

Table of Contents

**CORPORATE GOVERNANCE**

**Code of Ethical Conduct**

United has adopted a Code of Ethical Conduct designed to promote ethical conduct by United's Chief Executive Officer (principal executive officer), Chief Financial Officer (principal financial officer), Controller (principal accounting officer), each Executive Vice President, each Senior Vice President and each director. 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 waivers 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](http://www.ucbi.com).

**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. United's Board or the Audit Committee of the Board 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 United's Board nor the Audit Committee of the Board 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 rate 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.

Table of Contents**COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS****Compensation Discussion and Analysis**

In 2016, the following officers were the “Named Executive Officers” or “NEOs” of the Company:

| <b>Name</b>       | <b>Title</b>   | <b>Age as of the Annual Meeting</b> |
|-------------------|--|-------------------------------------|
| Jimmy C. Tallent  | Chairman and Chief Executive Officer                 | 64                                  |
| H. Lynn Harton    | President and Chief Operating Officer                | 55                                  |
| Rex S. Schuette   | Executive Vice President and Chief Financial Officer | 67                                  |
| Bill M. Gilbert   | President of Community Banking                       | 64                                  |
| Robert A. Edwards | Executive Vice President and Chief Credit Officer    | 52                                  |

See Proposal 1: Election of Directors — Information Regarding Nominees for Director for biographical information for Mr. Tallent and Mr. Harton. Biographical information for the remaining NEOs can be found below:

Rex S. Schuette has served as Executive Vice President and Chief Financial Officer since February 2001. He is currently responsible for managing and directing all accounting, financial and reporting activities for the Company. He is also responsible for mergers and acquisitions, investor relations, treasury, capital, budget and forecasts. Mr. Schuette has more than 35 years of experience in banking and financial services. Prior to joining United, he was the Chief Accounting Officer and Controller for State Street Corporation from 1985 to 2001, Chief Financial Officer for Bank One Columbus, Assistant Controller at two regional Midwest banks and Audit Manager with an international audit firm. On December 20, 2016, United issued a press release announcing that Mr. Schuette will retire in 2017 following the selection of Mr. Schuette’s successor and an appropriate transition period. United has commenced its process to identify a successor to Mr. Schuette.

Bill M. Gilbert has served as President of Community Banking since 2014. He is currently responsible for overseeing 30 community banks with 139 offices. Prior to 2014, Mr. Gilbert served as the Director of Banking from 2012 to 2013, Regional President from 2011 to 2013 and Head of Retail Banking from 2003 to 2011. Before joining United, he was the President of Farmers and Merchants Bank and is a past chairman of the Georgia Board of Natural Resources.

Robert A. Edwards has served as Executive Vice President and Chief Credit Officer since January 2015. He is currently responsible for oversight of the credit culture and delivering solid credit performance for United. Mr. Edwards has more than 25 years of experience in the financial services industry. Prior to joining United, he served as an Executive Credit Officer over Credit Policy and Risk Reporting and Analytics at TD Bank. He also served as the Chief Credit Officer at The South Financial Group.

*Executive Summary*

The Executive Summary below will discuss:

- Key results of United's business in 2016 and its return to shareholders, and
- 2016 compensation decisions for United's executive officers.

The balance of this Compensation Discussion & Analysis (the "CD&A") will discuss:

- United's compensation philosophy;
- The structure of United's current incentive compensation plans;
- Information concerning 2016 compensation decisions for United's Named Executive Officers; and

Table of Contents

Complete information regarding United's current compensation practices, processes and policies.

2016 Performance Highlights. 2016 was a successful year for United, both in the achievement of operational objectives that the Compensation Committee (the "Committee") believes will drive the long-term success of United and also in the attainment of strong financial performance.

Operationally, United made a number of successful investments in new business lines and markets in 2016 that will position the Company well for future growth and performance:

United successfully completed the integration of Palmetto Bancshares, Inc. and its wholly-owned subsidiary, The Palmetto Bank ("Palmetto"), systems and operations during the first quarter of 2016.

United completed the acquisition of Mt. Pleasant, South Carolina-based Tidelands Bancshares, Inc. ("Tidelands") on July 1, 2016. The merger of Tidelands into United enhances United's presence in the fast-growing coastal South Carolina markets of Charleston, Hilton Head and Myrtle Beach. It also provides an important platform for an existing team of United lenders already in the Charleston area, as well as expanded banking products and services for Tidelands customers. United completed the integration of Tidelands systems and operations during November.

Upgraded substantially all of its telecommunications systems to a new platform and converted its mobile and online banking application to a new platform.

Even with these major strategic accomplishments, United provided solid financial operating performance (note that these figures differ from values reported in accordance with generally accepted accounting principles ("GAAP") in that they exclude certain one-time merger-related expenses and other non-operating charges. See non-GAAP reconciliation tables on page 23):

United reported net operating income of \$106.7 million, or \$1.48 per diluted share, for 2016. United achieved significant improvement in earnings throughout 2016. Operating earnings per share increased from \$0.33 per diluted share in the fourth quarter of 2015 to \$0.40 per diluted share in the fourth quarter of 2016.

Operating return on average assets ("operating ROA") improved from 0.99% in the fourth quarter of 2015 to 1.10% in the fourth quarter of 2016, and operating return on tangible common equity improved from 10.9% in the fourth quarter of 2015 to 12.5% in the fourth quarter of 2016.

Solid organic loan growth for 2016 of \$619 million, or 10%, as well as growth in core transaction deposits of \$489 million, or 9% (excluding acquisitions).

Our top-quartile credit quality performance remained steady during 2016. Net charge-offs to average loans improved to 0.11% for 2016 from 0.12% for 2015. Non-performing assets (excluding restructured loans) to total assets remained low and improved to 0.28% as of year-end 2016 from 0.29% as of year-end 2015.

Core fee revenue growth of 29% from 2015 to 2016, driven primarily by service charges and fees, mortgage fees, SBA gains and acquisitions.

Table of Contents

United's ultimate goal is to provide a strong return for shareholders, which is delivered through quarterly dividends and share price appreciation. In the first quarter 2016, United increased its quarterly cash dividend to shareholders from \$0.06 per share to \$0.07 per share which was increased in the third quarter to \$0.08 per share and again in the first quarter 2017 to \$0.09 per share. Total shareholder return is at the 84<sup>th</sup> percentile of peers over the last three years.

Under United's Management Incentive Plan, the Committee has adopted four key operational measures as performance goals that it believes will leverage United's strengths as a company and drive long-term success. United outperformed its peers in all of these measures in 2016, as shown below. See Specific Considerations Regarding 2016 Compensation — Competitive Benchmarking for 2016 for a complete list of peers.

(1) NPAs excluding restructured loans as a percent of total assets

Exhibits do not include National Penn Bancshares. Although National Penn was a compensation peer used in (2) making some 2016 compensation decisions, they were acquired in April 2016 and thus performance is not available for comparison.

Table of Contents

Summary of 2016 Executive Compensation Decisions

- The Committee provided 6-10% salary increases to the NEOs in 2016, except as provided below:
    - o Mr. Tallent declined a salary increase at the time the other officers received increases in 2015; effective, January 1, 2016, his salary was increased to \$750,000.
    - o Mr. Harton's salary was increased to \$625,000 in 2016, which is above the median annual base salary paid to similar executive officers in the Peer Group but justified in the view of the Committee because of his role as COO and his role in the Company's succession plan.
  - United began implementing changes to its Management Incentive Plan in 2015. Bonus payouts for 2016 for the NEOs were determined under the new plan opportunities and performance goals. See Non-Equity Incentive Awards for information regarding such plan changes.
- Salaries
- Based on 2016 performance, cash incentive payouts were made at 122.8% of target for the NEOs.
  - United implemented a "clawback" policy for executive officers effective January 1, 2016. The policy allows the Company to recoup payouts to officers in the event of certain restatements of United's financial statements or other fraudulent activity.
  - Mr. Tallent, Mr. Harton and Mr. Schuette received performance-based and time-based equity grants in December 2016.
    - o 70% of the awards vest based on performance, with the amount vesting in each of four vesting tranches in 2018, 2019, 2020, and 2021 determined by operating ROA and operating ROTCE in the prior performance year.
- Annual Cash Incentives
- o 30% of awards vest over four years based on time and continued employment.
  - Mr. Edwards and Mr. Gilbert received grants of restricted stock units in 2016 in connection with their strong job performance and contribution to United's overall success. This included strategic initiatives relating to the conversion of Tidelands as well as expansion of United's retail lending products and pricing, centralized consumer credit underwriting and lowering the risks associated with non-performing and other problem assets.
  - o The awards vest in equal installments over four years based on time and continued employment.
- Long-Term Incentives

*Introduction*

Overview. This CD&A describes United's 2016 compensation program for the NEOs. The following pages are intended to explain the objectives of United's compensation program, the structure of its compensation plans and the

process by which the Committee and the Board as a whole makes compensation decisions for the executive officers. In particular, the CD&A focuses on decisions made in the determination of 2016 compensation for the NEOs. This CD&A is intended to be read in conjunction with the tables and related disclosures beginning on page 28 below, which provide detailed historical compensation information for the NEOs.

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 impact 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 Committee believes that the compensation of the Company's NEOs should reflect their success as an executive management team and as individuals in attaining key operating objectives. Key operating objectives include:

- Growth of revenue, loans and deposits;

- Growth of operating earnings and earnings per share;

- Operating 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.

Table of Contents

The 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.

Stock Ownership Guidelines. 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 the NEOs and other executive officers that require certain levels of Common Stock to be held within five years in their position. NEOs and other executive officers are expected to accumulate a number of shares of United's Common Stock having a value equal to a multiple of their base salary, as described in the table below:

| <b>Title</b>                          | <b>Ownership Guidelines</b> |
|---------------------------------------|-----------------------------|
| Chief Executive Officer and President | 4x base salary              |
| Other Executive Officers              | 3x base salary              |

All of the NEOs and other executive officers have met or are on track to meet these targets within the five-year-period. United also has a policy that generally prohibits 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.

Response to 2016 "Say-on-Pay" Vote. United held an advisory "say-on-pay" vote in 2016 on the compensation of its NEOs. United's shareholders approved such compensation with 92.1% of votes 'FOR' the "say-on-pay" resolution. The Committee believes that the strong result of this vote is evidence that the Company's compensation policies and decisions are in the best interests of its shareholders and expects to apply similar principles going forward. In the future, the Committee will continue to take the results of the "say-on-pay" vote into consideration. While this vote is not binding on United, the Board and Committee value the opinions of shareholders and, to the extent there is any significant vote against the compensation of the NEOs, we will consider shareholders' concerns, and the Committee will evaluate whether any actions are necessary to address those concerns.

*2016 Compensation Decision Process*

The Role of the Compensation Committee. 2016 compensation for the NEOs was determined under programs adopted by the Committee and reviewed and/or approved by the Board. The Committee establishes the executive compensation philosophy, policy, elements and strategy and reviewed compensation proposals for approval by the Board. Generally, the Committee reviews the performance and approves all compensation of United's NEOs and, based upon this evaluation, establishes their compensation.

In setting and approving compensation of the NEOs, the Committee considers objective measurements of business performance, the accomplishment of strategic and financial objectives, the development of management talent within the Company, 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.

No 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. All members are shareholders of United and several members of the Committee have a significant percentage of their net worth invested in shares of United, such that members' interests are aligned with the interests of other shareholders.

The Role of Management. Members of management assist the Committee by providing recommendations that management believes will establish appropriate and market-competitive compensation plans for executive officers. For all NEOs other than himself, the Chief Executive Officer makes recommendations to the Committee. Mr. Tallent attends the Committee meetings, participates in discussions and provides information that the Committee considers, but he is not in attendance nor does he participate in deliberations or voting with respect to his own compensation.

The Role of the Compensation Consultant. In performing its responsibilities for executive compensation, the Committee has sole authority to, and does to the extent it deems necessary or desirable, retain and consult with outside professional advisors. During 2016, the Committee engaged McLagan, a performance/reward consulting and benchmarking firm for the financial services industry, to assist with determination of 2016 equity payouts to certain executive officers and advise United on other compensation-related matters.

Table of Contents

The Committee has reviewed its relationship with McLagan. Considering all relevant factors, including those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Securities Exchange Act of 1934, the Committee determined that it is not aware of any conflict of interest that has been raised by the work performed by McLagan. In addition, the Committee has assessed the independence of McLagan as required under NASDAQ listing rules.

*Specific Considerations Regarding 2016 Compensation*

Competitive Benchmarking. The Committee utilized a peer group (the “Peer Group”) comprised of the financial institutions listed in the table below during its discussions regarding 2016 compensation for the NEOs. The Peer Group was also used for purposes of evaluating compensation of the NEOs for 2015 and was constructed by the Committee so that, following its 2015 acquisitions, United would be near the median of the Peer Group in terms of asset size. The Peer Group has not been updated since that time, and the information from the 2015 review of peer compensation was used to make a limited number of compensation decisions in 2016.

| <b>Company Name</b>                        | <b>Ticker</b> | <b>Company Name</b>           | <b>Ticker</b> |
|--|---------------|-------------------------------|---------------|
| BancorpSouth Inc.                          | BXS           | Northwest Bancshares, Inc.    | NWBI          |
| Bank of the Ozarks Inc.                    | OZRK          | Old National Bancorp          | ONB           |
| BankUnited Inc.                            | BKU           | Pinnacle Financial Partners   | PNFP          |
| Capital Bank Finl Corp                     | CBF           | Renasant Corp.                | RNST          |
| F.N.B. Corp.                               | FNB           | Simmons First National Corp.  | SFNC          |
| First Financial Bankshares                 | FFIN          | South State Corporation       | SSB           |
| Fulton Financial Corp.                     | FULT          | Texas Capital Bancshares Inc. | TCBI          |
| Home BancShares Inc.                       | HOMB          | Trustmark Corp.               | TRMK          |
| IBERIABANK Corp.                           | IBKC          | Union Bankshares Corp         | UBSH          |
| International Bancshares Corp.             | IBOC          | United Bankshares Inc.        | UBSI          |
| LegacyTexas Finl Group Inc.                | LTXB          | WesBanco Inc.                 | WSBC          |
| National Penn Bancshares Inc. <sup>1</sup> | NPBC          |                               |               |

(1) While National Penn Bancshares was acquired in early 2016, compensation information from the 2014 performance year remained available and appropriate for comparison.

The Committee believes that this group is representative of the markets in which United competes for executive talent. McLagan then performed a market analysis of the Peer Group and reported market compensation levels for positions similar to those held by United’s NEOs.



Table of Contents

Compensation Mix. Compensation for each NEO 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 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 Committee has established targeted overall compensation for each NEO 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 United’s long-term targeted compensation mix as a percentage of total compensation:

| Title                                 | Annual Base Salary | Performance-Based Compensation Elements |    |   |                            |   |  |
|---------------------------------------|--------------------|---|----|---|----------------------------|---|--|
|                                       |                    | Annual Non-Equity Incentive             |    |   | Long-Term Equity Incentive |   |  |
| Chief Executive Officer and President | 40                 | %                                       | 30 | % | 30                         | % |  |
| Other Named Executive Officers        | 45                 | %                                       | 25 | % | 30                         | % |  |

*Annual Base Salary*

United strives to provide its NEOs with a level of annual cash base salary that is competitive with companies in the financial services industry.

In order to ensure that salary levels remain appropriate and competitive, the Committee reviews base salaries annually and makes adjustments in consideration of past individual performance as measured by both financial and non-financial factors as well as the potential for making significant contributions in the future. The Committee also considers each NEO's tenure and experience in his or her respective position, scope of responsibilities and internal comparability considerations. Finally, the Committee considers McLagan's analysis of the Peer Group compensation information during 2016.

The Committee made changes to the base salaries of NEOs in 2016 based on its review and in order to ensure that base salaries are within an appropriate range of the median annual base salary paid to executives in similar positions at peer banks. Mr. Harton's salary was increased to \$625,000 in 2016 which is above the median annual base salary paid to similar executive officers in the Peer Group but justified in the view of the Committee because of his role as COO and his role in the Company's succession plan.

| Name              | Title                          | 2015 Salary | 2016 Salary             | Salary Increase |   |
|-------------------|--------------------------------|-------------|-------------------------|-----------------|---|
| Jimmy C. Tallent  | Chairman and CEO               | \$ 600,000  | <sup>1</sup> \$ 750,000 | +25             | % |
| H. Lynn Harton    | President and COO              | \$ 550,000  | \$ 625,000              | +14             | % |
| Rex S. Schuette   | EVP & CFO                      | \$ 388,000  | \$ 410,000              | +6              | % |
| Bill M. Gilbert   | President of Community Banking | \$ 300,000  | \$ 325,000              | +8              | % |
| Robert A. Edwards | EVP & CCO                      | \$ 295,000  | \$ 325,000              | +10             | % |

- (1) Mr. Tallent declined a salary increase in 2015 when the other officers received increases. Effective January 1, 2016, his salary was increased to \$750,000 in recognition of United's performance under his leadership, peer group practices and the elimination of director fees for his services on community bank boards in 2016.

Table of Contents

*Non-Equity Incentive Awards*

Management Incentive Plan. The Committee believes that incentive compensation of NEOs should be linked directly to the achievement of specified financial and non-financial objectives. As a result, the Committee adopted, and shareholders approved, the Management Incentive Plan in 2007. This “pay-for-performance” plan governs the level of non-equity incentive compensation that may be awarded by the Committee to the NEOs.

Under the Management Incentive Plan, the Committee strives to link salary and non-equity incentives to objective standards of performance and may consider the non-financial factors discussed previously and various financial performance measures. The Committee also typically establishes annual corporate performance thresholds, targets and maximum levels under the Management Incentive Plan based on United’s strategic objectives. At the end of each year, the actual performance for each of the financial metrics is measured separately against its target level. Corporate performance that meets the target level provides for a 100% payout. Awards are prorated for performance between levels (e.g., between target, threshold and maximum). The Committee has discretion to modify awards so long as such modified awards are within plan parameters. In the event that the Committee makes such an adjustment in the case of unforeseen or extraordinary circumstances and events, a written explanation of the business rationale will be provided to the participant.

The Management Incentive Plan was designed to qualify for compliance with the limitations on executive compensation deductions under Section 162(m) of the Internal Revenue Code. The Committee attempts to maximize the deductibility of compensation under Section 162(m) to the extent doing so is reasonable and consistent with Company strategies and goals. However, the Committee recognizes that paying certain compensation that is not tax-deductible may sometimes be in the best interest of the Company, and, to that end, United does not have a policy requiring that all compensation be deductible.

Management Incentive Plan Changes. United began implementing changes to the Management Incentive Plan for its NEOs in 2015. The changes include new market-competitive incentive opportunities and new performance goals that leverage the Company’s strengths and balance profitability with the need to manage risk. In the past, performance has been assessed by the Committee using the plan performance measures as a guide. Through the incentive plan changes, the Committee has now created a direct link between United’s performance under the specific plan measures and payouts to participating officers. The changes are intended to provide more structure around the determination of incentive plan payouts.

Three officers saw changes to their incentive opportunities and performance goals in 2015, including Mr. Tallent, Mr. Harton and Mr. Schuette. Additional officers, including the remainder of the NEOs, saw similar changes to their award opportunities and performance goals for the 2016 performance year.

2016 Incentive Award Opportunities. The Committee annually establishes cash incentive award opportunities within the MIP for its executive officers expressed as a percentage of base salary. Target award opportunities are designed to provide for total cash compensation that rewards executives for driving the success of United and are competitive with general market practices. The threshold award opportunity for each officer is 50% of the target opportunity. The maximum award opportunity is 150% of the target opportunity, in accordance with general market practice.

**2016 Cash Incentive Award Opportunities**

| Name              | Title                          | (% of base salary) |   |        |   |         |   |
|-------------------|--------------------------------|--------------------|---|--------|---|---------|---|
|                   |                                | Threshold          |   | Target |   | Maximum |   |
| Jimmy C. Tallent  | Chairman and CEO               | 37.5               | % | 75     | % | 112.5   | % |
| H. Lynn Harton    | President and COO              | 37.5               | % | 75     | % | 112.5   | % |
| Rex S. Schuette   | EVP & CFO                      | 25                 | % | 50     | % | 75      | % |
| Bill M. Gilbert   | President of Community Banking | 20                 | % | 40     | % | 60      | % |
| Robert A. Edwards | EVP & CCO                      | 20                 | % | 40     | % | 60      | % |

Table of Contents

2016 Incentive Award Performance Goals. For the Management Incentive Plan in 2016, the Committee selected four key financial/operational measures based on United's strategic objectives that the Committee believes leverages United's strengths as a Company and drives the long-term success of United. The table below describes the measures used for NEOs. Goal weightings, performance levels (threshold, target and maximum) and actual performance in 2016 are also shown:

| Corporate Measure              | Overall Weight | 2016 Corporate Performance Levels |         |         |           |        |         | 2016 Actual      |     |
|--------------------------------|----------------|-----------------------------------|---------|---------|-----------|--------|---------|------------------|-----|
|                                |                | Threshold                         | Target  | Maximum | Threshold | Target | Maximum |                  |     |
| Operating Earnings Per Share   | 40             | % \$ 1.40                         | \$ 1.43 | \$ 1.50 |           |        |         | \$ 1.48          | (2) |
| NPAs/Total Assets <sup>1</sup> | 25             | % 1.00                            | % 1.00  | % 1.00  | %         | %      | .29     | %                |     |
| Operating Efficiency Ratio     | 20             | % 60                              | % 58    | % 56    | %         | %      | 57.8    | % <sup>(2)</sup> |     |
| Customer Satisfaction Rating   | 15             | % 91                              | % 93    | % 96    | %         | %      | 97.5    | %                |     |

(1) Non-Performing Assets / Total Assets metric excludes restructured loans and was paid out at the target level due to considering this measure as a pass or fail goal.

(2) The following table provides non-GAAP reconciliations of measures reported within this Proxy Statement:

|   | 4Q16                       |                  |                                  | 4Q15                       |                  |                                  | 2016                       |                  |            | Net Income |
|---|----------------------------|------------------|----------------------------------|----------------------------|------------------|----------------------------------|----------------------------|------------------|------------|------------|
|   | Diluted Earnings per Share | Return on Assets | Return on Tangible Common Equity | Diluted Earnings per Share | Return on Assets | Return on Tangible Common Equity | Diluted Earnings per Share | Efficiency Ratio |            |            |
| As reported   | \$0.38                     | 1.03 %           | 9.89 %                           | \$0.25                     | 0.76 %           | 7.02 %                           | \$1.40                     | 59.8 %           | \$ 100,656 |            |
| Merger-related and other charges  | 0.01                       | 0.03             | 0.26                             | 0.08                       | 0.23             | 2.16                             | 0.07                       | (2.0 )           | 5,048      |            |
| Impairment of deferred tax asset on cancelled non-qualified stock options | 0.01                       | 0.04             | 0.36                             | -                          | -                | -                                | 0.01                       | -                | 976        |            |
| Effect of goodwill and other intangibles                                  | -                          | -                | 1.96                             | -                          | -                | 1.69                             | -                          | -                | -          |            |
| Operating   | \$0.40                     | 1.10 %           | 12.47 %                          | \$0.33                     | 0.99 %           | 10.87 %                          | \$1.48                     | 57.8 %           | \$ 106,680 |            |

2016 Individual Performance Assessments and Payouts. In order to qualify for an award, individual performance must also meet established expectations. Individual performance expectations for the Chief Executive Officer are determined with consideration of matters such as leadership of the executive management team, community

involvement and presence, market expansion and enhancement, strategic planning and implementation, corporate governance, risk management and ability to focus United on the long-term interests of its shareholders. For the other NEOs, individual performance expectations are determined with consideration of matters such as leadership, strategic planning and achievement of business unit operational and production goals, as well as the Chief Executive Officer's assessment of their performance. All of the NEOs were eligible to receive payouts in 2016 because each officer also met the individual performance expectations for that year.

Based on United's 2016 results under the 2016 Management Incentive Plan, each NEO received incentive payouts at 122.8% of target awards. Based on these corporate and individual results, the following non-equity incentive compensation awards were made under the Management Incentive Plan for 2016:

| Name              | Title                          | 2016      | 2016                    | 2016                    |      |   |
|-------------------|--------------------------------|-----------|-------------------------|-------------------------|------|---|
|                   |                                | Award     | Award as %<br>of Target | Award as %<br>of Salary |      |   |
| Jimmy C. Tallent  | Chairman and CEO               | \$690,750 | 122.8                   | %                       | 92.1 | % |
| H. Lynn Harton    | President and COO              | \$575,625 | 122.8                   | %                       | 92.1 | % |
| Rex S. Schuette   | EVP & CFO                      | \$251,740 | 122.8                   | %                       | 61.4 | % |
| Bill M. Gilbert   | President of Community Banking | \$159,640 | 122.8                   | %                       | 49.1 | % |
| Robert A. Edwards | EVP & CCO                      | \$159,640 | 122.8                   | %                       | 49.1 | % |

Table of Contents

*Equity Incentive Awards*

Equity Plan. An important element of compensation in the banking industry is the provision of long-term incentives in the form of equity awards such as stock options, restricted stock or time and performance-based restricted stock units. The Board and Committee also regard equity incentive awards as a key retention tool. These considerations are paramount in the Committee's determination of the type of an award to grant and the number of underlying awards to be granted. Because of the direct relationship between the value of an option, restricted stock or restricted stock unit and the market price of United's Common Stock, the Committee believes that granting these equity incentive awards are the best method of motivating senior management to manage the Company in a manner that is consistent with the long-term interests of United's shareholders.

All of United's equity incentive awards have been granted under the Amended and Restated 2000 Key Employee Stock Option Plan, which is a broad-based, shareholder approved plan covering NEOs and other key employees. The Equity Plan permits United to grant stock options, restricted stock and restricted stock units and provides additional flexibility, if circumstances of United's business and opportunities warrant, to grant other forms of equity-based compensation.

2013 Equity Grants. In August 2013, a cumulative award of 465,000 restricted stock and restricted stock units were granted to United's executive officers. The awards vest over a five-year period, with 30% vesting based only on time and continued employment, and 70% vesting based on United's achievement over that time under certain performance goals that were established by the Committee at the time the awards were originally granted. Tranches from the 2013 awards will continue to vest through August 2018.

2016 Equity Grants – CEO, COO and CFO. The Committee granted equity awards to the top three executive officers in 2016 in consideration of a number of factors:

Our executives have consistently outperformed both our incentive plan performance goals and their peers in the market.

After the August 2013 awards, no subsequent grants were made to the top three executive officers in either 2014 or 2015. With the final tranche of the 2013 awards vesting in 2018, there would be a significant reduction in the retention value of equity incentive awards without further grants.

It is common practice in the market for banks the size of United to make equity grants to executive officers on an annual basis.

The size of the grants was determined by the Committee based on its assessment of each officer's performance and information provided by McLagan on the size of awards to executive officers with similar responsibilities at peer banks. Once determined, awards were made in restricted stock units ("RSUs") in December 2016, as shown in the table below:

| Name             | Title             | 2016 LTIP Award |            |
|------------------|-------------------|-----------------|------------|
|                  |                   | (# of RSUs)     | (\$ Value) |
| Jimmy C. Tallent | Chairman and CEO  | 36,219          | 1,000,006  |
| H. Lynn Harton   | President and COO | 22,637          | 625,007    |
| Rex S. Schuette  | EVP & CFO         | 10,395          | 287,006    |

Consistent with the practice of the 2013 awards, 70% of the awards will vest based on United's performance over the four-year vesting schedule. The performance-vested awards will vest in equal installments, with 25% eligible to vest on February 15 of each of the following years: 2018, 2019, 2020, and 2021. The actual amount of the award to vest on each of the vesting dates is determined based on United's performance in the year prior to vesting (e.g., the number of awards to vest on February 15, 2018 will be determined by performance for the 2017 calendar year). Of the granted RSUs that are performance-based and eligible to vest in a given year, none will vest if threshold performance is not achieved, while threshold performance will result in 50% of the RSUs vesting. If target performance is achieved, 100% of the granted RSUs will vest and, if maximum performance is achieved, 150% of the granted RSUs will vest. Vesting is interpolated between payout levels for performance between performance levels. Performance is determined 50% based on United's Operating Return on Assets ("Operating ROA") and 50% based on Operating Return on Tangible Common Equity ("Operating ROTCE"). Performance under both measures is assessed relative to internal goals.

## Table of Contents

The remaining 30% of the awards are time-based and will vest in equal installment with 25% vesting on February 15, 2018 and then on November 15 of each of the following years: 2018, 2019, and 2020, assuming the executives remain employed at United.

2016 Equity Grants – President of Community Banking and CCO. In August 2016, awards of 5,500 shares and 7,500 shares were made to Mr. Gilbert and Mr. Edwards, respectively, in recognition of their strong job performance and contributions to United's overall success. This included strategic initiatives relating to the conversion and execution of the acquisition of Tideland as well as expansion of United's retail lending products and pricing, centralized consumer credit underwriting and lowering the risks associated with non-performing and other problem assets. The awards will vest in equal installment with 25% vesting on November 15, 2017 and then on August 15 of each of the following years: 2018, 2019, and 2020, assuming the executives remain employed at United.

### *Retirement Benefits*

The Committee believes that retirement and deferred compensation benefits provide financial security to key employees and their families, including the NEOs, for their service to the Company. As a result, United has adopted the following two plans:

Modified Retirement Plan. The Modified Retirement Plan provides specified benefits to certain key employees, including the NEOs, who contribute materially to the continued growth, development and future business success of United and its subsidiaries. See Executive Compensation — Pension Benefits for a description of the material terms of the Modified Retirement Plan and 2016 benefits provided to the NEOs under the Modified Retirement Plan.

Annual benefits under the Modified Retirement Plan are calculated based on a participant's seniority and position and generally range from 20% to 45% of their base salaries.

Deferred Compensation Plan. United maintains a nonqualified Deferred Compensation Plan for certain key employees, including the NEOs, members of the Board and members of United's local community bank boards. See Executive Compensation — Nonqualified Deferred Compensation for a description of the material terms of the Deferred Compensation Plan and 2016 benefits provided to the NEOs under the Deferred Compensation Plan.

### *Severance Benefits*

United's senior management has substantially contributed to the success of United, and the Board believes that it is important to protect them in the event of a termination without "cause" (as defined by applicable agreements) or in certain circumstances following a "change in control" (as defined by applicable agreements). Further, it is Board's belief that the interests of shareholders will be best served if the interests of senior management are aligned with the interests of United's shareholder base and providing "change in control" benefits should reduce any reluctance of senior management to pursue potential "change in control" transactions that may be in the best interests of shareholders.

Restricted stock unit awards granted to the NEOs, senior management and key employees all have "double triggers" and accelerate in the event of a grantee's termination without "cause" (as defined in the award agreements) or, following a "change in control" (as defined in the award agreements), if the grantee terminates for "good reason" (as defined in the award agreements) or is terminated. The Committee believes such terms are standard for a financial institution in the markets in which United operates. Generally, all or a portion of the stock options, restricted stock and restricted stock unit awards vest for United's NEOs in the event of the officer's death, disability, retirement or termination without "cause" or a termination by the officer for "good reason." Otherwise, all options and restricted stock awards cease vesting upon termination of employment.

Each of United's NEOs has also entered into Amended and Restated Change in Control Severance Agreements with the Company, the terms of which are described in Severance and Employment Agreements. The Committee has established the payment and benefit levels to be paid to the NEOs in the event of their termination following a "change in control" (i.e., a "double trigger") under these agreements consistent with what the Committee believes is standard for financial institution executives in the markets in which United operates. The Committee believes that these potential benefits would be minor relative to the substantial transaction value for United's shareholders.

None of the severance agreements described above provide for the payment of any taxes or a gross-up of payments to pay any taxes in the event any of the compensation or benefits were considered to be an "excess severance payment" under Section 280G of the Internal Revenue Code.

## Table of Contents

### *Perquisites and Other Benefits*

The perquisites provided to United's NEOs in 2016 were the use of a Company-owned car or a car allowance and the payment of dues for club memberships that were not used exclusively for business purposes. These personal benefits are generally provided to similarly-situated financial institution executives in the Company's market areas, and the Committee believes it is appropriate to award United's NEOs with similar benefits.

United's NEOs also participate in Company-wide contributions to the 401(k) Plan and receive other benefits on the same terms as other employees, which include medical, dental and life insurance. United provides matching contributions under the 401(k) Plan, and, prior to April 1, 2016, United matched 50% of these employee contributions up to 5% of eligible compensation, subject to Plan and regulatory limits. Effective April 1, 2016, the matching contribution was increased to 70% of employee contributions up to 5% of eligible compensation.

### *Recovery of Incentive Compensation*

Effective January 1, 2016, the Board has adopted a policy relating to the "clawback" of incentive compensation paid to the NEOs and other members of senior management in the event of certain restatements of United's financial statements. Under that policy, the Board will, to the full extent permitted by applicable law, in all appropriate cases, require reimbursement of any bonus paid or incentive compensation awarded to the executive and/or effect the cancellation of unvested equity awards previously granted to the executive if: (1) the amount of the bonus or incentive compensation was calculated based on the achievement of financial results that were subsequently the subject of a material restatement; (2) the executive engaged in intentional misconduct that caused or partially caused the need for the restatement; and (3) the amount of the bonus or incentive compensation that would have been awarded to the executive had the financial results been properly reported would have been lower than the amount actually awarded.

### *Compensation Risk Analysis*

The SEC requires that the Committee annually review United's employee compensation arrangements with the members of management responsible for risk management to determine if any such arrangements create risks that are reasonably likely to have a material adverse impact on United. The Committee also considers whether United's employee compensation arrangements encourage excessive or unnecessary risk-taking by the NEOs, senior management and key employees. As part of its review, the Committee considers the various risks to which United is subject including market, liquidity, interest rate, operational, financial, credit, reputational, compliance and strategic risks and how United's incentive compensation programs may contribute to risk. The Committee also considers United's controls and actions taken to mitigate and monitor those risks.

Following the completion of a detailed analysis, the Committee concluded that all incentive plans appropriately balance risk and reward and align employee interests with shareholder interests based on the following observations:

Pay for United's executive officers is structured to consist of both fixed (annual base salary) and variable (annual non-equity and long-term equity incentive awards) compensation. The Committee believes that the variable elements provide an appropriate percentage of overall compensation to motivate executive officers to focus on United's performance while the fixed element serves to provide an appropriate and fair compensation level that does not encourage executive officers to take unnecessary or excessive risks in achievement of goals.

United's compensation program balances short-term and long-term performance and does not place inappropriate focus on achieving short-term results in a way that inhibits long-term, sustained performance.

All incentive programs covering the NEOs, including the Management Incentive Plan and Equity Plan, are reviewed and approved by the Committee annually and typically include a threshold and target payment. The maximum payment is set at the target level of performance for the long-term equity incentive awards to ensure that payments do not exceed a certain level thereby maintaining the compensation mix for the NEOs within acceptable ranges and limiting excessive payments under any one element.

United has internal controls over the measurement and calculation of performance metrics, which are designed to prevent manipulation of results by any employee, including the executive officers. Additionally, the Board monitors the performance metrics each quarter.

Table of Contents

The Committee has the discretion to modify any Management Incentive Plan payment, subject to plan parameters, allowing it to consider the circumstances surrounding corporate and/or individual performance and adjust payments accordingly.

The incentive programs covering the NEOs, including the Management Incentive Plan and Equity Plan, may be adjusted by the Committee if it determines that such programs incentivize unnecessary risk in a manner that is likely to have a material adverse impact on United or that is beyond what United can identify and manage.

There are appropriate internal controls and oversight of the approval and processing of payments.

United's existing governance and organizational structure incorporates a substantial risk management component with oversight by the Board's Risk Committee as well as various committees of management.

Equity compensation generally consists of performance-based restricted stock units and time-based restricted stock units and stock options. These grants encourage executive officers to take a long-term perspective on overall corporate performance, which ultimately influences share price appreciation. Equity compensation helps to motivate long-term performance, balancing the cash incentives in place to motivate short-term performance.

In addition, other incentive compensation programs for lenders are generally based on loan production volumes, which have limited risks because all loans must be approved by credit underwriting personnel and, depending on the size of the loan or credit relationship, by executive management prior to being made. Management has the ability to downwardly adjust bonus payments, including clawback adjustments, based on the performance of the loan.

Table of Contents**Executive Compensation***Summary Compensation Table*

The following table sets forth the compensation paid during the past three years to the NEOs.

| Name and Principal Position  | Year | Salary<br>(1) | Stock<br>Awards (2) |     | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(3) | Change<br>in<br>Pension<br>Value<br>and Non-<br>Qualified<br>Deferred<br>Compensation<br>Earnings<br>(4) | All<br>Other<br>Compensation<br>(5) | Total        |
|--|------|---------------|---------------------|-----|--|--|-------------------------------------|--------------|
| Jimmy C. Tallent<br>Chairman & Chief<br>Executive Officer                | 2016 | \$ 750,000    | \$ 1,000,006        | (6) | \$ 690,750   | \$ 485,166   | \$ 58,814                           | \$ 2,984,736 |
|  | 2015 | 600,000       | -                   |     | 506,250  | 269,221  | 81,825                              | 1,457,296    |
|  | 2014 | 600,000       | -                   |     | 400,000  | 462,635  | 94,860                              | 1,557,495    |
| H. Lynn Harton<br>President & Chief<br>Operating Officer                 | 2016 | 575,000       | 625,007             | (6) | 575,625  | 208,652  | 68,571                              | 2,052,855    |
|  | 2015 | 500,000       | -                   |     | 464,062  | 84,440   | 76,021                              | 1,124,523    |
|  | 2014 | 475,000       | -                   |     | 300,000  | 127,716  | 51,468                              | 954,184      |
| Rex S. Schuette<br>Executive Vice President &<br>Chief Financial Officer | 2016 | 395,334       | 287,006             | (6) | 251,740  | 272,098  | 43,226                              | 1,249,404    |
|  | 2015 | 379,333       | -                   |     | 218,250  | 42,363   | 35,085                              | 675,031      |
|  | 2014 | 375,000       | -                   |     | 150,000  | 258,791  | 26,305                              | 810,096      |
| Bill M. Gilbert<br>President of Community<br>Bank                        | 2016 | 308,334       | 105,325             | (6) | 159,640  | 124,888  | 27,810                              | 725,997      |
|  | 2015 | 283,333       | 104,335             | (7) | 125,000  | 59,085   | 24,079                              | 595,832      |
|  | 2014 | 275,000       | -                   |     | 75,000   | 183,180  | 21,875                              | 555,055      |
| Robert A. Edwards<br>Executive Vice President &<br>Chief Credit Officer  | 2016 | 305,000       | 143,625             | (6) | 159,640  | 31,327   | 20,186                              | 659,778      |
|  | 2015 | 274,955       | 968,625             | (8) | 125,000  | 22,230   | 11,000                              | 1,401,810    |

Amount shown for salary was either paid in cash, stock or deferred, as elected by the Named Executive Officer (1) under the Deferred Compensation Plan. See Nonqualified Deferred Compensation for information regarding the Named Executive Officer's contributions and earnings.

Amounts shown reflect the aggregate grant-date fair value of restricted stock units. The assumptions made when calculating the grant-date fair value of stock options are found in Note 22 to the Consolidated Financial Statements (2) of United contained in its Annual Report on Form 10-K for the year ended December 31, 2016. No options to acquire shares of Common Stock were awarded in the past three years to the NEOs.

(3) Includes amounts earned under the Management Incentive Plan as a result of achieving the goals specified for the designated year and other cash retention payments.

Includes the annual change in the present value of the Named Executive Officer's accumulated benefits under the Modified Retirement Plan. The change in present value reflects revisions to the benefits and key actuarial assumptions, principally, lowering the discount rate to 4.0% in 2016 compared with 4.25% in 2015 and 4.5% in (4) 2014 and the use of updated mortality assumptions in 2016. The Deferred Compensation Plan does not credit above-market or preferential earnings, so no amounts are included in this column with respect to the Deferred Compensation Plan. See Pension Benefits and Nonqualified Deferred Compensation for additional information.

(5) Amounts shown include:

- a. Matching and profit sharing contributions to the 401(k) Plan on behalf of the NEOs;
  - b. Matching contributions to the 401(k) Plan on behalf of the NEOs to the Deferred Compensation Plan (see Nonqualified Deferred Compensation for additional information);
  - c. The value of personal travel or allowance for a company-owned car;
  - d. Club membership dues that are not used exclusively for business purposes;
  - e. Dividends paid on unvested restricted stock units;
  - f. Cash paid to Mr. Schuette in the amount of \$4,000.50 for options cancelled by mutual agreement of Mr. Schuette and United in 2016;
  - g. Cash paid to Mr. Gilbert in the amount of \$1,403.00 for options cancelled by mutual agreement of Mr. Gilbert and United in 2016;
  - h. Life insurance premiums paid on behalf of the NEOs; and
  - i. Director fees paid to the NEOs for serving on community bank boards. Mr. Tallent received director fees in 2016 of \$3,117 and in each of 2015 and 2014 of \$37,400; director fees paid to management directors for service on community bank boards were discontinued effective February 1, 2016.
- (6) See Compensation Discussion and Analysis – Equity Incentive Awards for information regarding equity award grants to NEOs.
- (7) Granted 5,500 time-based restricted stock units for additional responsibilities assumed in 2015 with the acquisitions of MoneyTree Corporation and its wholly-owned bank subsidiary, First National Bank, and Palmetto, which vest ratably over four years.
- (8) In connection with his hiring in 2015, Mr. Edwards received 40,000 restricted stock units to replace certain equity awards surrendered at his previous company, which vest ratably over three years. In addition, as a new NEO, Mr. Edwards was granted 7,500 time-based restricted stock units which vest ratably over four years and 5,000 performance-based restricted stock units which vest over four years based on meeting the same performance criteria as previously disclosed for the NEOs.

Table of Contents*Grants of Plan-Based Awards*

When granting equity awards, the Committee sets the option exercise price or equity award price at the market closing price on the date of grant. Both stock options and restricted stock awards vest over a number of years in order to encourage employee retention and focus management's attention on sustaining financial performance and building shareholder value over an extended term. The following table summarizes the terms of non-equity and equity plan-based awards granted during 2016.

## GRANT OF PLAN BASED AWARDS

| Name              | Incentive Plan and Stock Awards Grant Date | Estimated Future Payouts under Non-Equity Incentive Plan Awards |           |           | Estimated Future Payouts under Equity Incentive Plan Awards |            |             | All Other Stock Awards: Number of Shares of Stock or Units (#) | Grant Date Fair Value of Stock and Option Awards |
|-------------------|--|---|-----------|-----------|---|------------|-------------|--|--|
|                   |  | Threshold   | Target    | Maximum   | Threshold (#)   | Target (#) | Maximum (#) |  |  |
| Jimmy C. Tallent  | 1/1/2016<br>12/2/2016                      | \$281,250   | \$562,500 | \$843,750 | 12,677  | 25,353     | 38,030      | 10,866   | \$300,010  |
| H. Lynn Harton    | 1/1/2016<br>12/2/2016                      | 234,375   | 468,750   | 703,125   | 7,923   | 15,845     | 23,768      | 6,792  | 187,527  |
| Rex S. Schuette   | 1/1/2016<br>12/2/2016                      | 102,500   | 205,000   | 307,500   | 3,638   | 7,276      | 10,914      | 3,119  | 86,116   |
| Bill M. Gilbert   | 1/1/2016<br>8/4/2016                       | 65,000  | 130,000   | 195,000   | -   | -          | -           | 5,500  | 105,325  |
| Robert A. Edwards | 1/1/2016<br>8/4/2016                       | 65,000  | 130,000   | 195,000   | -   | -          | -           | 7,500  | 143,625  |

*Outstanding Equity Awards as of December 31, 2016*

The following table sets forth, for each Named Executive Officer, the number of stock options exercisable and unexercisable and the number and value of unvested restricted stock unit awards as of December 31, 2016.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

| Name              | Stock Option Awards |                      |                |                     | Restricted Stock Unit Awards |                             |  |                             |
|-------------------|---------------------|----------------------|----------------|---------------------|------------------------------|-----------------------------|--|-----------------------------|
|                   | Number Exercisable  | Number Unexercisable | Exercise Price | Expiration Date (1) | Number Not Vested (2)        | Market Value Not Vested (3) | Equity Incentive Plan Awards Number Vested (2) | Market Value Not Vested (3) |
| Jimmy C. Tallent  | -                   | -                    | -              | -                   | 30,666                       | \$ 908,327                  | 71,553   | \$ 2,119,400                |
| H. Lynn Harton    | -                   | -                    | -              | -                   | 24,744                       | 732,917                     | 57,733   | 1,710,051                   |
| Rex S. Schuette   | -                   | -                    | -              | -                   | 12,293                       | 364,119                     | 28,682   | 849,561                     |
| Bill M. Gilbert   | 1,411               | -                    | 31.50          | 6/22/2019           | 14,905                       | 441,486                     | 12,320   | 364,918                     |
| Robert A. Edwards | -                   | -                    | -              | -                   | 39,792                       | 1,178,639                   | 3,750  | 111,075                     |

(1) The expiration date of each stock option is ten years after the date of grant.

(2) See Compensation Discussion and Analysis – Equity Incentive Awards for information regarding equity award grants to NEOs.

(3) The market value is based on the closing price of United’s Common Stock at December 31, 2016 of \$29.62 multiplied by the number of restricted stock units not vested.

Table of Contents*Stock Option Exercises and Restricted Stock Vesting*

The following table sets forth the value realized upon the exercise of stock options and the vesting and settlement of restricted stock units for the NEOs during 2016.

## STOCK OPTION EXERCISES AND VESTING OF RESTRICTED STOCK UNITS

| Name                 | Stock Option Awards |                    | Restricted Stock Unit Awards |                    |
|----------------------|---------------------|--------------------|------------------------------|--------------------|
|                      | Number Exercised    | Value Realized (1) | Number Vested                | Value Realized (2) |
| Jimmy C. Tallent (3) | -                   | \$ -               | 32,019                       | \$ 567,276         |
| H. Lynn Harton       | -                   | -                  | 29,030                       | 514,321            |
| Rex S. Schuette (3)  | -                   | -                  | 14,836                       | 262,847            |
| Bill M. Gilbert (3)  | -                   | -                  | 9,915                        | 187,037            |
| Robert A. Edwards    | -                   | -                  | 16,405                       | 285,775            |

(1) Represents the difference between the closing price of United's Common Stock on the date of exercise and the per share option exercise price, multiplied by the number of options exercised.

(2) Represents the value realized by multiplying the number of restricted stock unit awards vesting by the closing price of United's Common Stock on the date of vesting.

During 2016, all outstanding options granted in 2007 and 2008 were cancelled by mutual agreement of the Company and all holders of the options were paid \$0.50 per outstanding option. As a result of these cancellations,

(3) Mr. Schuette received a cash payment in the amount of \$4,000.50, and Mr. Gilbert received a cash payment of \$1,403.00. Although he had outstanding options granted in 2007 and 2008, Mr. Tallent declined payment for the cancellation of his shares.

*Equity Compensation Plan Information at December 31, 2016*

The following table provides information about stock options outstanding as of December 31, 2016 and stock options, restricted stock and other equity awards available to be granted in future years.

## EQUITY COMPENSATION PLAN INFORMATION

|  | <b>Total<br/>Outstanding<br/>Options /<br/>Restricted<br/>Stock Awards</b> | <b>Weighted-<br/>Average<br/>Exercise Price of<br/>Outstanding<br/>Options /<br/>Restricted Stock<br/>Awards <sup>(1)</sup></b> | <b>Number<br/>Available for<br/>Issuance Under<br/>Equity<br/>Compensation<br/>Plans <sup>(2)</sup></b> |
|--|--|---|---|
| Equity compensation plans approved by shareholders     | 763,635  | \$ 3.27   | 2,178,796   |
| Equity compensation plans not approved by shareholders | -  | -   | -   |
| <b>Total</b>   | <b>763,635</b>   | <b>\$ 3.27</b>  | <b>2,178,796</b>  |

Comprised of 72,665 outstanding options at a weighted-average exercise price of \$34.34 and 690,970 outstanding <sup>(1)</sup>restricted stock units that have no weighted-average exercise price for an aggregate weighted-average exercise price of \$3.27.

<sup>(2)</sup>Represents the number of stock options, restricted stock, restricted stock units and other equity awards available to be granted in future years under the existing Equity Plan.

Table of Contents*Pension Benefits*

The following table presents select retirement benefit information for 2016 for each Named Executive Officer that was a participant in the Modified Retirement Plan.

## PENSION BENEFITS

| <b>Name</b>       | <b>Plan Name</b>         | <b>Number of<br/>Years Credited<br/>Service</b> | <b>Present Value<br/>of<br/>Accumulated<br/>Benefit</b> | <b>Payments<br/>During 2016</b> |
|-------------------|--------------------------|---|---|---------------------------------|
| Jimmy C. Tallent  | Modified Retirement Plan | 33  | \$ 2,687,182  | \$ -                            |
| H. Lynn Harton    | Modified Retirement Plan | 4   | 491,607   | -                               |
| Rex S. Schuette   | Modified Retirement Plan | 16  | 2,001,160   | -                               |
| Bill M. Gilbert   | Modified Retirement Plan | 17  | 864,699   | -                               |
| Robert A. Edwards | Modified Retirement Plan | 1   | 53,558  | -                               |

The Modified Retirement Plan provides specified benefits to certain key employees, including the NEOs, who contribute materially to the continued growth, development and future business success of United and its subsidiaries. Generally, when a participant retires, United will pay to the participant, or participant's spouse upon death, a fixed annual amount in equal installments either for the lifetime of the participant (or participant's spouse) or a fixed payment for 15 years. The annual benefits are calculated based on a participant's seniority and position and generally range from 20% to 45% of their base salary. Normal retirement age as defined by the Modified Retirement Plan requires the participant reaching age 65 and completing at least five years of service.

The Modified Retirement Plan contains provisions that provide for accelerated vesting upon a "change in control" (as defined in the Modified Retirement Plan) of United. The Modified Retirement Plan also provides that these benefits will be forfeited if a participant is terminated for "cause" (as defined in the Modified Retirement Plan) or, if during a certain period after his or her termination of employment, competes with United, solicits customers or employees, discloses confidential information or knowingly or intentionally damages United's goodwill or esteem.

*Nonqualified Deferred Compensation*

The following table presents select nonqualified deferred compensation information for 2016 for each Named Executive Officer that was a participant in the Deferred Compensation Plan.

## NONQUALIFIED DEFERRED COMPENSATION

| <b>Name</b>       | <b>Executive Contributions During 2016 <sup>(1)</sup></b> | <b>Company Contributions During 2016 <sup>(2)</sup></b> | <b>Account Earnings During 2016</b> | <b>Aggregate Withdrawals / Distributions</b> | <b>Aggregate Balance at December 31, 2016</b> |
|-------------------|---|---|-------------------------------------|--|---|
| Jimmy C. Tallent  | \$ 957,829  | \$ 28,419   | \$ 1,435,258                        | \$ -   | \$ 4,993,833                                  |
| H. Lynn Harton    | 325,880   | 10,138  | 650,820                             | -  | 1,736,774                                     |
| Rex S. Schuette   | 298,778   | 9,710   | 722,279                             | -  | 2,078,428                                     |
| Bill M. Gilbert   | 151,199   | 1,429   | 293,248                             | -  | 973,603                                       |
| Robert A. Edwards | -   | -   | -                                   | -  | -   |

All executive contributions, as applicable, are included in the Summary Compensation Table under the column heading Salary and Non-Equity Incentive Plan Compensation (in the year paid) and Stock Awards (in the year of grant).

<sup>(2)</sup> All Company contributions are included in the Summary Compensation Table under the column heading All Other Compensation.

The Deferred Compensation Plan provides for the deferral of up to 75% of annual base salary and up to 100% of annual cash bonus payments or non-equity incentive compensation awards and other specified benefits to certain key employees, including the NEOs, members of the Board and members of United's local community bank boards who contribute materially to the continued growth, development and future business success of United and its subsidiaries. Further, the Deferred Compensation Plan allows for employer matching contributions for employee contributions that would have been paid under United's tax-qualified 401(k) plan if such matching contributions would otherwise exceed the maximum allowable amounts under the 401(k) Plan. Prior to April 1, 2016, United matched 50% of these employee contributions up to 5% of eligible compensation, subject to Plan and regulatory limits. Effective April 1, 2016, the matching contribution was increased to 70% of employee contributions up to 5% of eligible compensation. Although the Deferred Compensation Plan allows the Board to make discretionary contributions to the account of employee participants, the Board did not make any such discretionary contribution during 2016. See Compensation Discussion and Analysis for additional information. The Deferred Compensation Plan also provides for the deferral of up to 100% of director fees for service by a non-employee director on the Board of United and for service by select non-employee directors on community bank boards.

## Table of Contents

Contributions to the Deferred Compensation Plan may be invested in United's Common Stock and a portfolio of various mutual funds. Participants are 100% vested in their contributions, including earnings or losses thereon. Company contributions, including earnings and losses thereon, vest over a three-year period. Because the amounts deferred under the Deferred Compensation Plan are invested in the underlying mutual fund or, in the case of Common Stock, recorded as Common Stock issuable (an equity instrument) at the time of the investment, the potential future costs of the Deferred Compensation Plan are not known at this time.

Generally, when a participant retires or becomes disabled, United will pay the participant their accrued benefits in a lump sum or in equal installments for five or ten years. Alternatively, a participant may elect to have a portion (or all) of their accrued benefits paid out at a specified time before retirement in a lump sum or in annual installments for two, three, four, or five years. The lump sum and installment payments are taxable to the participant.

## **Severance and Employment Agreements**

Each of the NEOs has entered into Amended and Restated Change in Control Severance Agreements (individually the "Severance Agreement" and collectively the "Severance Agreements") with United. The Severance Agreements remain in effect until the later of (i) the termination of such NEO's employment without entitlement to the benefits under the Severance Agreements and (ii) six months after such NEO's termination of employment if there has been no "change in control" (as defined by the Severance Agreements), unless earlier terminated by mutual written agreement of the NEO and United.

The Severance Agreements provide for payment of compensation and benefits to the NEO in the event of a "change in control" (as defined by the Severance Agreements) of United if his employment is involuntarily terminated by United without "cause" (as defined by the Severance Agreements) or if he terminates his employment for "good reason" (as defined by the Severance Agreements). Meaning, the agreements have a "double trigger," and United would make payments only upon a "change in control" and only if we terminate the NEO without "cause" or the NEO terminates for "good reason." The NEO is not entitled to compensation or payments pursuant to his Severance Agreement if he is terminated by United for "cause," dies, incurs a disability or voluntarily terminates employment (other than for "good reason").

If a "change in control" occurs during the term of the applicable Severance Agreement and the NEO's employment is terminated within six months prior to, or 18 months following, the date of the "change in control," and if such termination is an involuntary termination by United without "cause" (and does not arise as a result of death or disability) or a termination by the NEO for "good reason," the NEO will be entitled to a lump sum payment equal to his base salary, non-equity incentive compensation award and certain other benefits, as determined by the applicable Severance Agreement, for a period of 24 or 36 months from the date of his termination.

The Severance Agreements provide that the NEOs will receive the full compensation and benefits provided for under the Severance Agreements and have the responsibility for any excise tax, or such payments are reduced or modified so that they will not be considered “excess severance payments” under Section 280G of the Internal Revenue Code, whichever will put the executives in the best after-tax position with the most compensation and income. The Severance Agreements are also intended to ensure that the payment of any compensation or benefits under the Severance Agreements would comply with Section 409A of the Internal Revenue Code.

None of the Severance Agreements provide for the payment of any taxes or a gross-up of payments to pay any taxes in the event any of the compensation or benefits were considered to be an excess severance payment under Section 280G of the Internal Revenue Code. The Severance Agreements contain restrictive covenants and provide that a portion of the severance payment shall be allocated to the restrictive covenants.

In March 2015, all of the Severance Agreements were amended to add a “best after-tax” provision. As a result, the NEOs will receive the full payments provided under the Severance Agreements and have the responsibility for any excise tax, or such payments are reduced or modified so that they will not be considered “excess severance payments” under Section 280G of the Internal Revenue Code, whichever will put the executives in the best after-tax position with the most compensation and income. No amendments have been made to any other agreements with the NEOs.

Table of Contents

The following table outlines the compensation payable to the NEOs, assuming separation from service on December 31, 2016, under various termination scenarios:

| Name              | Termination by United for Cause or by Executive Without Good Reason | Termination by United Without Cause or by Executive for Good Reason More than Six Months Prior to Change in Control <sup>(1)</sup> | Termination by United Without Cause or by Executive for Good Reason Within Six Months Prior to or Following a Change in Control <sup>(2)</sup> | Termination Due to Death <sup>(3)</sup> | Termination Due to Disability <sup>(3)</sup> |
|-------------------|---|--|--|---|--|
| Jimmy C. Tallent  | \$ -  | \$ 1,954,920   | \$ 4,546,937   | \$ 977,460                              | \$ 977,460                                   |
| H. Lynn Harton    | -   | 1,772,461  | 6,326,895  | 895,230                                 | 1,386,837 (4)                                |
| Rex S. Schuette   | -   | 950,780  | 2,575,114  | 352,890                                 | 352,890                                      |
| Bill M. Gilbert   | -   | 521,312  | 1,711,500  | 382,875                                 | 382,875                                      |
| Robert A. Edwards | -   | 1,067,564  | 2,217,139  | 543,053                                 | 596,611 (4)                                  |

(1) In the event of a termination without cause or for good reason, (i) Mr. Tallent, Mr. Harton, Mr. Schuette and Mr. Gilbert would continue to vest in all respective unvested restricted stock units granted in 2013 on the same schedule as if each was employed (subject to performance conditions to the extent applicable), (ii) Mr. Gilbert would forfeit all unvested restricted stock units granted in 2015, (iii) Mr. Edwards would continue to vest in his unvested restricted stock units granted in 2015 (subject to performance conditions to the extent applicable) and (iv) each NEO would forfeit his restricted stock units granted in 2016 because the termination would have occurred prior to the initial restriction period of one year and thirty days from the date of grant. Payment amounts may be reduced for awards that are subject to performance conditions.

(2) Represents all compensation that would become due as the result of a “change in control” on December 31, 2016, including severance payments, bonuses, restricted stock unit awards, COBRA premiums and expenses, and other miscellaneous items, such as life insurance premiums, auto allowances and club dues provided for under applicable award and employment agreements. Also included are amounts that would become due under the Modified Retirement Plan in the event of a “change in control.” United’s Severance Agreements provide that the compensation and benefits provided for under the Severance Agreements shall be reduced or modified so that such payments will not be considered excess severance payments under Section 280G of the Internal Revenue Code if such reduction will allow the executive to receive a greater net after tax amount than such executive would receive absent such reduction. Otherwise, the payments are not reduced. Reductions (as applicable) were applied dollar-to-dollar, first to cash compensation, so as to not reduce any portion of equity compensation. The Severance Agreements contain restrictive covenants which provide that a portion of the severance payment shall be allocated to the restrictive covenant. Because the NEOs’ termination would have occurred prior to the initial restriction period of one year and

thirty days from the date of grant, the NEOs would forfeit all of their restricted stock units granted in 2016 upon termination. Therefore, 2016 grants of restricted stock units are not included in the calculations.

(3) In the event of death or disability, (i) Mr. Tallent, Mr. Harton, Mr. Schuette and Mr. Gilbert would continue to vest in the unvested portion of restricted stock units granted in 2013 for the current year and the unvested portion of the grant for the subsequent year (subject to performance criteria to the extent applicable) with the remaining unvested portions forfeited, (ii) Mr. Gilbert would immediately vest in all unvested restricted stock units granted in 2015, (iii) Mr. Edwards would continue to vest in the unvested portion of restricted stock units granted in 2015 for the current year and the unvested portion of the grant for the subsequent year (subject to performance criteria to the extent applicable) with the remaining unvested portions forfeited and (iv) the NEOs would continue to vest in the unvested portion of restricted stock units granted in 2016 for the current year and the unvested portion of the grant for the subsequent year with the remaining unvested portions forfeited. For all NEOs except Mr. Edwards, the first vesting date with respect to restricted stock units granted in 2016 occurs in 2018; therefore, none of the 2016 grants would vest in the event of death or disability. However, Mr. Edwards would vest in a portion of his 2016 grant on November 15, 2017. Payment amounts may be reduced for awards that are subject to performance conditions.

(4) Because Mr. Harton and Mr. Edwards are not yet vested in their accrued benefits under the Modified Retirement Plan, their respective disability retirement benefits (in the amount of their accrued benefits) under the plan are included in the calculations.

United has no other employment or severance agreements with any of its NEOs. Therefore, except as described above, no severance benefit is payable and there is no continuation of benefit coverage in the event of an NEO's voluntary or involuntary termination, retirement, disability or death.

Table of Contents**Director Compensation**

United's objective with regard to director compensation is to provide a competitive compensation package to attract top talent to United's Board. Members of the Board receive an annual cash retainer fee for their service on the Board as well as incremental annual cash retainer fees relative to additional time required to fulfill committee duties and responsibilities. Cash retainer fees are paid quarterly. To assist in the determination of compensation to the directors, in 2015 the Committee engaged McLagan, a performance/reward consulting and benchmarking firm for the financial services industry, to perform a review of the director compensation. Utilizing the same Peer Group as for executive compensation, McLagan performed a market analysis and reported market compensation levels for directors. The following table, approved by the Committee, summarizes the annual 2016 director cash compensation as a result of discussions with the consulting firm.

|   |          |
|---|----------|
| Director  | \$32,500 |
| Lead Director                                     | 25,000   |
| Audit Committee member                            | 6,000    |
| Audit Committee Chair                             | 10,000   |
| Risk Committee member                             | 6,000    |
| Risk Committee Chair                              | 10,000   |
| Compensation Committee member                     | 5,000    |
| Compensation Committee Chair                      | 6,000    |
| Nominating / Corporate Governance Committee Chair | 4,500    |

Directors of the Company also serve on the Board of United Community Bank and receive no additional compensation related to their service on the Bank's Board.

The annual cash retainer fees may be deferred pursuant to United's Deferred Compensation Plan. Prior to his retirement from the Board effective March 1, 2016, director Goldstein elected to defer all annual cash retainer fees relative to his service on the Board.

Non-management directors also receive annual equity grants in the form of restricted stock units with a one-year vesting period. This retainer is compensation for services provided as directors including, but not limited to, committee membership and related responsibilities. The aggregate grant-date fair value for awards of Common Stock is based on the closing price as reported on the NASDAQ Capital Market as of each grant date.

In conjunction with the review by McLagan during 2015, the aggregate grant-date fair value for annual equity grants was increased from \$25,000 to \$32,500 effective September 1, 2015 and remained at \$32,500 for 2016. Grants with an

aggregate grant-date fair value of \$195,087 were granted on June 21, 2016 to directors serving as of that date. Messrs. Shaver and Wilkins were awarded a pro-rata grant on September 1, 2016 with an aggregate grant-date fair value of \$43,305 based on their appointment to the Board in August 2016.

Table of Contents

The following table provides information regarding 2016 compensation for non-management directors that served in that capacity during 2016. The Company also reimburses directors for expenses incurred in conjunction with their Board service, including the cost of attending Board and committee meetings, although such reimbursements are not included in the table below. No management directors received compensation for their Board service during 2016.

| Name                                  | Fees Earned or Paid in Cash | Stock Awards <sup>(1)</sup> | Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(2)</sup> | All Other Compensation <sup>(3)</sup> | Total    |
|---------------------------------------|-----------------------------|-----------------------------|---|---------------------------------------|----------|
| Robert H. Blalock                     | \$ 44,500                   | \$ 32,515                   | \$ -  | \$ 11,279                             | \$88,294 |
| L. Cathy Cox                          | 59,575                      | 32,515                      | -   | 779                                   | 92,869   |
| Kenneth L. Daniels                    | 50,908                      | 32,515                      | -   | 357                                   | 83,780   |
| Steven J. Goldstein <sup>(4)</sup>    | 9,083                       | -                           | -   | 72,975                                | 82,058   |
| W. C. Nelson, Jr.                     | 74,075                      | 32,515                      | -   | 779                                   | 107,369  |
| Nicholas B. Paumgarten <sup>(5)</sup> | 16,250                      | -                           | -   | -                                     | 16,250   |
| Thomas A. Richlovsky                  | 54,500                      | 32,515                      | -   | 779                                   | 87,794   |
| David C. Shaver <sup>(6)</sup>        | 16,035                      | 21,653                      | -   | 883                                   | 38,571   |
| Tim R. Wallis                         | 37,075                      | 32,515                      | -   | 6,779                                 | 76,369   |
| David H. Wilkins <sup>(6)</sup>       | 16,035                      | 21,653                      | -   | 83                                    | 37,771   |

Messrs. Blalock, Daniels, Nelson, Richlovsky and Wallis and Ms. Cox were each granted \$32,515 of restricted <sup>(1)</sup>stock awards equal to 1,697 restricted stock units on June 21, 2016 which were valued at \$19.16 per share, the price of United's Common Stock on the date of grant. These awards will vest in August 2017.

Messrs. Shaver and Wilkins were each granted \$21,653 of restricted stock awards equal to 1,039 restricted stock units on September 1, 2016 which were valued at \$20.84 per share, the price of United's Common Stock on the date of grant in conjunction with their appointment to the Board in August 2016. These awards will vest in November 2017.

Directors are not eligible for the Company's Modified Retirement Plan. In addition, the Deferred Compensation Plan <sup>(2)</sup>does not credit above-market or preferential earnings, so no amounts are included in this column with respect to the Deferred Compensation Plan.

<sup>(3)</sup>Represents fees paid to directors for serving on one or more of United's community bank boards and dividends paid on unvested restricted stock units.

Dr. Goldstein retired from the Board effective March 1, 2016 related to health issues and, therefore, was paid <sup>(4)</sup>\$72,733 for the value of his unvested restricted stock units as of that date, which is included in All Other Compensation.

<sup>(5)</sup>Nicholas B. Paumgarten did not seek re-election to the Board in 2016, and his service ended on the Board following the 2016 Annual Meeting.

<sup>(6)</sup>Messrs. Shaver and Wilkins were appointed to the Board in August 2016. As such, Fees Earned or Paid in Cash relative to Messrs. Shaver and Wilkins include a pro-rata quarterly payment for 3Q16 and a full quarterly payment

for 4Q16 in addition to the restricted stock units granted as summarized in footnote 1 above.

### **Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee has served as an officer or employee of United at any time or engaged in any transaction that would be required to be disclosed under Corporate Governance - Certain Relationships and Related Transactions.

None of United's executive officers serve as a director or member of the Compensation Committee of any other entity that has an executive officer serving as a member of United's Board or Compensation Committee.

### **Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included within this Proxy Statement with management. Based on such review and discussions, the Compensation Committee recommended to the Board that it be included herein.

L. Cathy Cox, Chairman  
Kenneth L. Daniels  
W.C. Nelson, Jr.  
Tim R. Wallis

Table of Contents

**PRINCIPAL AND MANAGEMENT SHAREHOLDERS**

The table on the following page sets forth information regarding beneficial ownership of United's voting securities. The table sets forth such information with respect to:

· Each shareholder who is known by us to beneficially own 5% or more of our voting securities;

· Each director and nominee for director;

· Each NEO; and

· All executive officers and directors as a group.

Unless otherwise indicated, the information presented is as of February 28, 2017 and is based on 70,965,827 shares of United's Common Stock outstanding on such date. Beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power as of February 28, 2017. For purposes of calculating each person's or group's percentage ownership, shares of Common Stock issuable through the exercise of stock options or other rights (including disbursements from the United Community Banks, Inc. Deferred Compensation Plan) or the vesting of restricted stock units within 60 days after February 28, 2017 are included as outstanding and beneficially owned for that person or group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group.

Also included in the table for each individual or entity are any restricted stock units that vest outside of 60 days after February 28, 2017, as well as any shares of Common Stock issuable pursuant to disbursements from the United Community Banks, Inc. Deferred Compensation Plan that may occur following 60 days after February 28, 2017. The table also reflects the adjusted beneficial ownership of United's voting securities, which includes any such shares.

Table of Contents

| Name and Address  | Shares of Common Stock Beneficially Owned | Percentage Beneficially Owned | Restricted Stock Units Vesting After 60 Days <sup>(9)</sup> | Shares Issuable Under the United Community Banks, Inc. Deferred Compensation Plan After 60 Days <sup>(10)</sup> | Adjusted Shares of Common Stock Beneficially Owned <sup>(11)</sup> | Adjusted Percentage Beneficially Owned <sup>(12)</sup> |
|---|---|-------------------------------|---|---|--|--|
| BlackRock, Inc. <sup>(1)</sup><br>55 East 52nd Street<br>New York, NY 10055 | 8,292,964                                 | 11.70 %                       | -   | -   | 8,292,964  | 11.70 %  |
| Jimmy C. Tallent <sup>(2)</sup>   | 141,418                                   | *                             | 79,119  | 150,287   | 370,824  | *  |
| W.C. Nelson, Jr. <sup>(3)</sup>   | 428,722                                   | *                             | 1,697   | -   | 430,419  | *  |
| Robert H. Blalock <sup>(4)</sup>  | 36,097                                    | *                             | 1,697   | -   | 37,794   | *  |
| L. Cathy Cox  | 6,362                                     | *                             | 1,697   | 6,301   | 14,360   | *  |
| Kenneth L. Daniels  | -   | *                             | 1,697   | -   | 1,697  | *  |
| H. Lynn Harton  | 103,486                                   | *                             | 61,533  | 78,036  | 243,055  | *  |
| Thomas A. Richlovsky <sup>(5)</sup>   | 18,251                                    | *                             | 1,697   | -   | 19,948   | *  |
| David C. Shaver   | -   | *                             | 1,039   | -   | 1,039  | *  |
| Tim R. Wallis <sup>(6)</sup>  | 89,669                                    | *                             | 1,697   | -   | 91,366   | *  |
| David H. Wilkins  | -   | *                             | 1,039   | -   | 1,039  | *  |
| Robert A. Edwards   | 19,559                                    | *                             | 27,083  | -   | 46,642   | *  |
| Bill M. Gilbert <sup>(7)</sup>  | 14,727                                    | *                             | 21,065  | 31,496  | 67,288   | *  |
| Rex S. Schuette <sup>(8)</sup>  | 51,976                                    | *                             | 30,272  | 76,226  | 158,474  | *  |
| All Directors and Executive Officers as a Group (15 persons)**              | 939,615                                   | 1.32 %                        | 262,270   | 358,431   | 1,560,316  | 2.18 %   |

\* Represents less than 1% of the deemed outstanding shares of Common Stock as of February 28, 2017. Institutional ownership percentages are based on 70,899,114 shares outstanding as of December 31, 2016.

\*\* Includes all executive officers (which includes all NEOs) and directors.

Based in part on information contained in Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 17, 2017 indicating sole voting power relative to 8,292,964 shares of Common Stock as of December 31, 2016 and sole dispositive power relative to 8,461,455 shares of Common Stock as of December 31, 2016, which would have comprised 11.70% and 11.93%, respectively, of United's 70,899,114 shares of Common Stock outstanding as of December 31, 2016.

(2)

Includes 77 shares owned by Mr. Tallent's spouse, for which he claims beneficial ownership; and 61 shares owned by Mr. Tallent's minor grandchildren, for which he is custodian.

(3) Includes 10,613 shares owned by Mr. Nelson's spouse, for which he claims beneficial ownership; 9,917 shares owned by Mr. Nelson's minor grandchildren for which he is custodian; 280 shares owned by Conag Rentals, Inc., a company in which Mr. Nelson is 50% owner; and 250 shares owned by Tri-State Ford Inc. DBA King Ford, a company in which Mr. Nelson is 50% owner.

(4) Includes 1,992 shares owned by Mr. Blalock's spouse, for which he claims beneficial ownership; and 20,121 shares owned by Blalock Insurance Agency, Inc., a company wholly owned by Mr. Blalock.

(5) Includes 10,000 shares owned by the Thomas Andrew Richlovsky Trust dated September 24, 1998 over which Mr. Richlovsky is Trustee.

(6) Includes 81,417 shares owned by Wallis Investment Co., LLC, a company wholly owned by Mr. Wallis.

(7) Includes 177 shares owned by Mr. Gilbert's spouse, for which he claims beneficial ownership.

(8) Includes 1,800 shares owned by Mr. Schuette's spouse, for which he claims beneficial ownership.

(9) Includes unvested performance and time-based restricted stock units that vest on or after April 30, 2017.

(10) Represents phantom shares issuable and convertible into common stock that may be distributed from the United Community Banks, Inc. Deferred Compensation Plan on or after April 30, 2017.

(11) Reflects total adjusted amount of common stock deemed beneficially owned, including all shares of Common Stock issuable through the exercise of stock options or other rights (including disbursements from the United Community Banks, Inc. Deferred Compensation) or the vesting of restricted stock units, both within, and on or after, 60 days from February 28, 2017.

(12) Percentage is based on the total adjusted amount of common stock deemed beneficially owned, including all shares of Common Stock issuable through the exercise of stock options or other rights (including disbursements from the United Community Banks, Inc. Deferred Compensation) or the vesting of restricted stock units, both within, and on or after, 60 days from February 28, 2017.

Table of Contents

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires any person who is the beneficial owner, directly or indirectly, of more than 10% of United's Common Stock and any director or officer of United to file with the SEC certain reports of beneficial ownership of the Common Stock. Based solely on copies of such reports furnished to United and representations that no other reports were required, United believes that all applicable Section 16(a) reports were filed by these shareholders during the fiscal year ended December 31, 2016, except that Rex Schuette, Bill Gilbert, Brad Miller and Alan Kumler each filed a late report on Form 5 for one transaction.

Table of Contents

**AUDIT COMMITTEE REPORT**

The Audit Committee operates pursuant to an Audit Committee Charter that was adopted by the Board in 2013 and which is annually reviewed and approved by the Board. United's management is responsible for its internal accounting controls and the financial reporting process. United's independent registered public accountants for 2016, PricewaterhouseCoopers LLP ("PwC"), were responsible for performing an audit of United's consolidated financial statements in accordance with auditing standards of the Public Company Accounting Oversight Board and for expressing an opinion as to their conformity with U.S. generally accepted accounting principles. The Audit Committee's responsibility is to monitor and oversee these processes. The Board, in its business judgment, has determined that all members of the Audit Committee are independent, as defined by the federal securities laws and the NASDAQ listing requirements.

In keeping with that responsibility, the Audit Committee has reviewed and discussed United's audited consolidated financial statements with management and PwC. In addition, the Audit Committee has discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, "Communications with Audit Committee," as currently in effect, has received the written disclosures and letter from PwC required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," and has discussed with PwC their independence. The Audit Committee is also responsible for considering whether the provision of any non-audit services provided by PwC would impair their independence. No such services were proposed or provided in 2016.

The Audit Committee also discussed with management, United's internal auditors and PwC the quality and adequacy of United's internal controls over financial reporting and the internal audit function's organization, responsibilities, budget and staffing. It reviewed management's assessment of such internal controls and PwC's attestation thereof. The Audit Committee reviewed both with PwC and internal auditors their audit plans, audit scope and identification of audit risks.

Members of the Audit Committee rely, without independent verification, on the information provided to them and on the representations made by management and PwC. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of United's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board, that the financial statements are presented in accordance with U.S. generally accepted accounting principles or that United's auditors are in fact independent.

Based on the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Audit Committee Charter, the Audit Committee

recommended to the Board that the audited consolidated financial statements of United be included in the Annual Report on Form 10-K for the year ended December 31, 2016 for filing with the SEC.

This report is respectfully submitted by the Audit Committee of the Board.

Thomas A. Richlovsky, Chairman  
Robert H. Blalock  
L. Cathy Cox  
W.C. Nelson, Jr.  
David C. Shaver

Table of Contents

**PROPOSAL 2**

**APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION  
OF OUR NAMED EXECUTIVE OFFICERS**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, United is asking its shareholders to approve, on an advisory basis, the compensation of its Named Executive Officers as described in this Proxy Statement. This proposal, commonly known as a “say-on-pay” proposal, gives United’s shareholders the opportunity to express their views on the compensation of United’s Named Executive Officers.

The purpose of the Company’s compensation policies and procedures is to attract and retain experienced and highly-qualified executives critical to our long-term success and enhancement of shareholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. The Board believes our compensation policies and procedures achieve this objective. We encourage you to closely review Compensation of Executive Officers and Directors - Compensation Discussion and Analysis and Compensation of Executive Officers and Directors - Executive Compensation included in this Proxy Statement for more information on our Named Executive Officers’ compensation.

Our Board recommends that our shareholders vote in favor of the following resolution:

“Resolved, that the compensation of our Company’s Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this Proxy Statement, is hereby approved.”

Even though this “say-on-pay” vote is advisory and, therefore, will not be binding on United, the Compensation Committee and the Board value the opinions of United’s shareholders. Accordingly, to the extent there is a significant vote against the compensation of the Named Executive Officers, the Board will consider the shareholders’ concerns, and the Compensation Committee will evaluate what actions may be necessary or appropriate to address those concerns.

**Vote Required**

The affirmative vote of a majority of the votes cast by the holders of the shares entitled to vote at an Annual Meeting at which a quorum is present is required to approve, on an advisory basis, the “say-on-pay” resolution supporting the compensation of our Named Executive Officers. Accordingly, any abstention or broker non-vote will count as a vote against the proposal.

### **Recommendation**

**The Board recommends you vote “FOR” the approval, on an advisory basis, of this resolution related to the compensation of our Named Executive Officers.**

Table of Contents

**PROPOSAL 3**

**RATIFICATION OF THE APPOINTMENT OF UNITED'S INDEPENDENT  
REGISTERED PUBLIC ACCOUNTANT**

**General**

The Audit Committee of the Board has appointed PwC to serve as United's independent registered public accountant during the year ended December 31, 2017. The Board will present at the 2017 Annual Meeting a proposal that such appointment be ratified.

**Vote Required**

Each proxy executed and returned by a shareholder will be voted as specified thereon by the shareholder. If no specification is made, the proxy will be voted "FOR" the proposal to ratify the appointment of PwC to act as the United's independent registered public accountant for 2017. The proposal to ratify the appointment of PwC is approved if a majority of the votes cast by the holders of the shares entitled to vote at a meeting at which a quorum is present are voted for the proposal.

Neither United's Articles nor Bylaws require that the shareholders ratify the appointment of PwC as its independent auditors. United is doing so because it believes it is a matter of good corporate practice. Should the shareholders not ratify the selection, the Audit Committee of the Board will reconsider its determination to retain PwC but may elect to continue the engagement. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that the change would be in the best interests of United and its shareholders.

**Recommendation**

**The Board unanimously recommends a vote "FOR" the ratification of the appointment of United's independent registered public accountant.**



Table of Contents**OTHER MATTERS****Independent Registered Public Accountants**

PwC was the principal independent registered public accountant for United during the years ended December 31, 2016 and 2015. Representatives of PwC are expected to be present at the 2017 Annual Meeting and will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions. During 2016 and 2015, United was billed the following amounts for services rendered by PwC:

|                    | <b>2016</b> | <b>2015</b> |
|--------------------|-------------|-------------|
| Audit fees         | \$1,071,000 | \$1,003,264 |
| Audit-related fees | 230,000     | 350,000     |
| Tax fees           | -           | -           |
| All other fees     | -           | -           |
| Total fees         | \$1,301,000 | \$1,353,264 |

Audit Fees. This category includes fees for professional services for the integrated audits of United's consolidated financial statements including the audits of the effectiveness of our internal control over financial reporting, reviews of the financial statements included in United's Quarterly Reports on Form 10-Q, statutory audits or financial statement audits of subsidiaries and comfort letters and consents related to registration statements filed with the SEC.

Audit-Related Fees. This category primarily includes fees billed for acquisition-related services that are reasonably related to the performance of the audit of United's consolidated financial statements and effectiveness of internal control and are not reported within the audit fees category above. In 2016, these services related to United's acquisition of Tidelands. In 2015, these services were performed in connection with United's acquisitions of MoneyTree Corporation and Palmetto Bancshares, Inc.

Tax Fees. There were no tax services provided by PwC in 2016 or 2015.

All Other Fees. There were no other services performed by PwC that were not related to the audit of United's consolidated financial statements during 2016 or 2015.

The Audit Committee pre-approves all audit and non-audit services performed by PwC. The Audit Committee specifically approves the annual audit services engagement and has generally approved the provision of certain audit-related services and tax services by PwC. Certain non-audit services that are permitted under the federal securities laws may be approved from time to time by the Audit Committee.

### **Expenses of Solicitation**

The cost of solicitation of proxies will be borne by United. United may reimburse brokers, banks, nominees and other fiduciaries for postage and reasonable clerical expenses of forwarding the Proxy Materials to their principals who are beneficial owners of shares of Common Stock.

### **Shareholder Proposals and Recommendations for Director Nominees**

No proposals or recommendations for director nominations by non-management have been presented for consideration at the 2017 Annual Meeting.

United expects that its 2018 Annual Meeting will be held in May 2018. Any proposals or director recommendations by non-management shareholders intended for presentation at the 2018 Annual Meeting must be received by United at its principal executive offices, attention of the Secretary, no later than December 1, 2017 to be considered for inclusion in the proxy statement for the 2018 Annual Meeting. For any other shareholder matter intended to be presented for action at the 2018 Annual Meeting, United must receive a shareholder's notice on or before the later of 14 days prior to the 2018 Annual Meeting or five days after the Notice of Annual Meeting of Shareholders for the 2018 Annual Meeting is provided to the shareholders.

Table of Contents

**Information Incorporated by Reference**

The SEC allows us to “incorporate by reference” information we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is considered to be a part of this Proxy Statement, and information that we file later with the SEC will automatically update and supersede this information. You should rely on the later information over different information included in this Proxy Statement. We incorporate by reference herein our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 27, 2017.

We incorporate by reference all future filings we make with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 after the initial filing date of this Proxy Statement and prior to the date of the 2017 Annual Meeting except to the extent that any information contained in such filings is deemed “furnished” rather than “filed” in accordance with SEC rules.

Documents incorporated by reference are available from United without charge. You may obtain documents incorporated by reference in this Proxy Statement by requesting them from Lois Rich in writing, Investor Relations, United Community Banks, Inc., 125 Highway 515 East, Blairsville, Georgia 30514-0398, or by telephone, (706) 781-2265. The incorporated documents listed above can also be accessed through United’s website, [www.ucbi.com](http://www.ucbi.com). Neither our website nor the information on our website is included or incorporated in, or is a part of, this Proxy Statement.

**Other Business**

The Board does not know of any other matters to be presented at the 2017 Annual Meeting. If any additional matters are properly presented, the persons named in the proxy will have discretion to vote in accordance with their own judgment on such matters.

**YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY. PLEASE DO NOT RETURN THE PROXY CARD IF YOU ARE VOTING ELECTRONICALLY OR BY PHONE.** Vote by Internet or Telephone – QUICK EASY IMMEDIATE - 24 Hours a Day, 7 Days a Week or by Mail X Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card by mail. Votes submitted electronically over the Internet or by telephone must be received by 7:00 p.m., Eastern Time, on May 9, 2017. INTERNET/MOBILE – [www.cstproxyvote.com](http://www.cstproxyvote.com) Use the Internet to vote your proxy. Have your proxy card available when you access the above website. Follow the prompts to vote your shares. PHONE – 1 (866) 894-0537 Use a touch-tone telephone to vote your proxy. Have your proxy card available when you call. Follow the voting instructions to vote your shares. MAIL – Mark, sign and date your proxy card and return it in the postage-paid envelope provided. PROXY . FOLD HERE • DO NOT SEPARATE • INSERT IN ENVELOPE PROVIDED . Please mark THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS INDICATED, OR IF NO DIRECTION IS INDICATED, WILL BE VOTED “FOR” PROPOSALS 1, 2 AND 3 AND IN THE PROXIES’ DISCRETION ON ANY OTHER MATTERS COMING BEFORE THE MEETING. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. your votes like this 1. Election of Directors (1) Jimmy C. Tallent (2) Robert H. Blalock (3) L. Cathy Cox (4) Kenneth L. Daniels (5) H. Lynn Harton (6) W.C. Nelson, Jr. (7) Thomas A. Richlovsky (8) David C. Shaver FOR all Nominees listed to the left WITHHOLD AUTHORITY to vote (except as marked to the contrary for all nominees listed to the left) 2. Approval, on an advisory basis, of the compensation of our Named Executive Officers. 3. Ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accountant for 2017. FOR AGAINST ABSTAIN AGAINST ABSTAIN (9) Tim R. Wallis (10) David H. Wilkins (Instruction: To withhold authority to vote for any individual nominee, strike a line through that nominee’s name in the list above) Check here if you plan to attend the meeting in person. THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” PROPOSALS 1, 2 AND 3. COMPANY ID: PROXY NUMBER: ACCOUNT NUMBER: Signature Signature, if held jointly Date , 2017. Note: Please sign exactly as name appears hereon. When shares are held by joint owners, both should sign. When signing as attorney, executor, administrator, trustee, guardian, or corporate officer, please give title as such.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held Wednesday, May 10, 2017. The Proxy Statement and our 2017 Annual Report to Shareholders are available at <http://www.cstproxy.com/ucbi/2017>. FOLD HERE • DO NOT SEPARATE • INSERT IN ENVELOPE PROVIDED . PROXY THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS UNITED COMMUNITY BANKS, INC. The undersigned appoints Jimmy Tallent and W.C. Nelson, Jr., and each of them, as proxies, each with the power to appoint his substitute, and authorizes each of them to represent and to vote, as designated on the reverse hereof, all of the shares of common stock of United Community Banks, Inc. held of record by the undersigned at the close of business on March 11, 2017 at the Annual Meeting of Shareholders of United Community Banks, Inc. to be held on Wednesday, May 10, 2017, or at any adjournment thereof. THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS INDICATED. IF NO CONTRARY INDICATION IS MADE, THE PROXY WILL BE VOTED IN FAVOR OF ELECTING THE TEN NOMINEES TO THE BOARD OF DIRECTORS, AND IN FAVOR OF PROPOSALS 2 AND 3 AND IN ACCORDANCE WITH THE JUDGMENT OF THE PERSONS NAMED AS PROXIES HEREIN ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. (Continued, and to be marked, dated and signed, on the other side)