

CHICOS FAS INC
Form SC 13G
December 08, 2006
CUSIP NO. 168615102

13G

PAGE 1 OF 13

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

Chico's FAS, Inc.

(Name of Issuer)

Common Stock, par value \$.01

(Title of Class of Securities)

168615102

(CUSIP Number)

November 30, 2006

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Edgar Filing: CHICOS FAS INC - Form SC 13G

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAMES OF REPORTING PERSONS.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Franklin Resources, Inc. (13-2670991)

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,672,900

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.1%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAMES OF REPORTING PERSONS.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Charles B. Johnson

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,672,900

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.1%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAMES OF REPORTING PERSONS.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Rupert H. Johnson, Jr.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,672,900

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.1%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAMES OF REPORTING PERSONS.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Templeton Global Advisors Limited

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

- (a)
- (b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Commonwealth of the Bahamas

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

16,374,493 (See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

16,503,190 (See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

16,503,190

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.4%

12. TYPE OF REPORTING PERSON

IA

Item 1.

(a) Name of Issuer

Chico's FAS, Inc.

(b) Address of Issuer's Principal Executive Offices

11215 Metro Parkway
Fort Myers, FL 33966

Item 2.

(a) Name of Person Filing

- (i): Franklin Resources, Inc.
- (ii): Charles B. Johnson
- (iii): Rupert H. Johnson, Jr.
- (iv): Templeton Global Advisors Limited

(b) Address of Principal Business Office or, if none, Residence

(i), (ii), and (iii):
One Franklin Parkway
San Mateo, CA 94403-1906

(iv):
Lyford Cay, P.O. Box N7759
Nassau, Bahamas

(c) Citizenship

- (i): Delaware
- (ii) and (iii): USA

(iv): Commonwealth of the Bahamas

(d) Title of Class of Securities

Common Stock, par value \$.01

(e) CUSIP Number

168615102

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership

The securities reported herein (the Securities) are beneficially owned by one or more open- or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (each, an Investment Management Subsidiary and, collectively, the Investment Management Subsidiaries) of Franklin Resources, Inc. (FRI), including the Investment Management Subsidiaries listed in Item 7. Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power over the securities owned by such investment management clients, unless otherwise noted in this Item 4. Therefore, for purposes of Rule 13d-3 under the Act, the Investment Management Subsidiaries may be deemed to be the beneficial owners of the Securities.

Beneficial ownership by investment management subsidiaries and other affiliates of FRI is being reported in conformity with the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as FRI, where related entities exercise voting and investment powers over the securities being reported independently from each other. The voting and investment powers held by Franklin Mutual Advisers, LLC (FMA), an indirect wholly-owned Investment Management Subsidiary, are exercised independently from FRI and from all other Investment Management Subsidiaries (FRI, its affiliates and the Investment Management Subsidiaries other than FMA are collectively, FRI affiliates). Furthermore, internal policies and procedures of FMA and FRI establish informational barriers that prevent the flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities owned by their respective investment management clients. Consequently, FMA and the FRI affiliates report the securities over which they hold investment and voting power separately from each other for purposes of Section 13 of the Act.

Charles B. Johnson and Rupert H. Johnson, Jr. (the Principal Shareholders) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. FRI and the Principal Shareholders may be deemed to be, for purposes of Rule 13d-3 under the Act, the beneficial owners of securities held by persons and entities for whom or for which FRI subsidiaries provide investment management services. The number of shares that may be deemed to be beneficially owned and the percentage of the class of which such shares are a part are reported in Items 9 and 11 of the cover pages for FRI and each of the Principal Shareholders. FRI, the Principal Shareholders and each of the Investment Management Subsidiaries disclaim any pecuniary interest in any of the Securities. In addition, the filing of

this Schedule 13G on behalf of the Principal Shareholders, FRI and FRI affiliates, as applicable, should not be construed as an admission that any of them is, and each disclaims that it is, the beneficial owner, as defined in Rule 13d-3, of any of the Securities.

FRI, the Principal Shareholders, and each of the Investment Management Subsidiaries believe that they are not a group within the meaning of Rule 13d-5 under the Act and that they are not otherwise required to attribute to each other the beneficial ownership of the Securities held by any of them or by any persons or entities for whom or for which FRI subsidiaries provide investment management services.

(a) Amount beneficially owned:

17,672,900

(b) Percent of class:

10.1%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Templeton Global Advisors Limited:	16,374,493
Templeton Investment Counsel, LLC:	874,780
Franklin Advisers, Inc.:	123,730
Franklin Templeton Investments (Asia) Limited:	60,000
Franklin Templeton Investment Management Limited:	38,200
Fiduciary Trust Company International:	35,500
Franklin Templeton Investments Japan Limited:	17,100

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Templeton Global Advisors Limited:	16,503,190
Templeton Investment Counsel, LLC:	757,580
Franklin Advisers, Inc.:	123,730
Franklin Templeton Investments (Asia) Limited:	80,400
Franklin Templeton Investment Management Limited:	38,200
Fiduciary Trust Company International:	35,500
Franklin Templeton Investments Japan Limited:	17,100

(iv) Shared power to dispose or to direct the disposition of

Templeton Investment Counsel, LLC:	117,200 ^[1]
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One investment management contract provides that the FRI affiliate share investment power over the securities held in the client's account with another unaffiliated entity. The securities held in such account are less than 5% of the outstanding shares of the class. In addition, FRI does not believe that such contract causes such client or unaffiliated entity to be part of a group with FRI or any FRI affiliate within the meaning of Rule 13d-5 under the Act.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Investment Management Subsidiaries, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or power to direct the receipt of dividends from, as well as the proceeds from the sale of, such securities reported on in this statement.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

See Attached Exhibit C

(See also Item 4)

Item 8. Identification and Classification of Members of the Group

Not Applicable (See also Item 4)

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

This report shall not be construed as an admission by the persons filing the report that they are the beneficial owner of any securities covered by this report.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 8, 2006

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/BARBARA J. GREEN

Barbara J. Green
Vice President, Deputy General Counsel,

and Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Templeton Global Advisors Limited

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan

Executive Vice President and Secretary of

Templeton Global Advisors Limited

EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other of the attached statement on Schedule 13G and to all amendments to such statement and that such statement and all amendments to such statement are made on behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on

December 8, 2006.

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/BARBARA J. GREEN

Barbara J. Green
Vice President, Deputy General Counsel,
and Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Templeton Global Advisors Limited

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan

Executive Vice President and Secretary of

Templeton Global Advisors Limited

EXHIBIT B

POWER OF ATTORNEY

CHARLES B. JOHNSON hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G or 13D, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

Date: 9-11-03 /s/Charles B. Johnson

Charles B. Johnson

POWER OF ATTORNEY

RUPERT H. JOHNSON hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G or 13D, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

Date: Sept 4, 2003 /s/Rupert H. Johnson, Jr.

Rupert H. Johnson

Exhibit C

Templeton Global Advisors Limited	Item 3 Classification: 3(e)
Templeton Investment Counsel, LLC	Item 3 Classification: 3(e)
Franklin Advisers, Inc.	Item 3 Classification: 3(e)
Franklin Templeton Investments (Asia) Limited	Item 3 Classification: 3(e)
Franklin Templeton Investment Management Limited	Item 3 Classification: 3(e)
Fiduciary Trust Company International	Item 3 Classification: 3(b)

, Serif; margin-top: 0pt; margin-bottom: 0pt; color: #231F20">⁽⁴⁾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 key actuarial assumptions, principally, lowering the discount rate to 4.0% compared with 4.5% in 2014 and 4.0% in 2013, and the use of updated mortality assumptions in 2015. 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 Named Executive Officer;
 - b. Matching contributions to the 401(k) Plan on behalf of the Named Executive Officer 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. Life insurance premiums paid on behalf of the Named Executive Officer; and
 - f. Directors fees paid to the Named Executive Officer for serving on subsidiary and community bank boards. Mr. Tallent received director fees in each 2015, 2014 and 2013 of \$37,400.
- ⁽⁶⁾ See Compensation Discussion and Analysis – Equity Incentive Awards for information regarding equity award grants to NEOs.
- ⁽⁷⁾ Includes a one-time equity incentive award of 25,000 restricted stock units valued at \$310,500 to Mr. Tallent's deferred compensation account in the second quarter of 2013.

Includes \$24,150 of salary paid in the form of 2,086 shares of Salary Stock. The number of shares issued each semi-monthly pay period to Mr. Harton had a value on the date of issuance of \$1,610, which was net of \$1,515 of (8) withholding taxes, resulting in individual grants ranging from 108 to 162 shares at a per share grant-date fair value of \$9.91 to \$14.92. The Salary Stock was fully vested upon issuance.

- (9) Includes 150,000 restricted stock units awarded to Mr. Harton when he joined United as follows:
- a. 75,000 time-based restricted stock units vested annually on the second and third anniversaries of the grant date,
 - b. 37,500 performance-based restricted stock units vested in September 2014 as a result of United exceeding the operating targeted performance level for 2013, and
 - c. 37,500 performance-based restricted stock units vested in September 2015 as a result of United's operating return on average assets exceeding the specified target level for 2014.

The amount disclosed was adjusted in 2013 subsequent to the original award being awarded in 2012 as a result of the performance targets being modified in 2013 to mirror the performance targets applicable to the long-term equity plan awards that were granted to all of our NEOs in August 2013. The original performance target levels for Mr. Harton's award were established before the 2013 performance goals were set for United, and the Committee and the Board believed that the goals of the Chief Operating Officer and the other NEOs should be the same, thereby providing for consistency and continuity in executing the long-term goals of United. The long-term equity incentive awards are described in footnote 6. The adjustment to the performance targets have been accounted for as a grant modification, and, therefore, the full value of this modification totaling \$1,131,750 was added to the original value of the 2013 long-term equity incentive award of \$2,052,240 for a total disclosed stock award value of \$3,183,990 for 2013. The amount shown for Mr. Harton's 2013 performance-based restricted stock unit awards includes \$1,131,750 for the 75,000 restricted stock units that were modified with a fair market value of \$15.09 per share, the closing price of United's Common Stock on the date of the grant modification. This presentation does not give consideration to the treatment of the original award as being cancelled. The original award valued at \$648,750, or \$8.65 per share, on the date of grant was included in the total amount for 2012 in the 2015 Proxy Statement disclosure. The amount of additional expense that will be recognized as a result of the grant modification is \$483,000, the difference between United's market closing price on the date of the modification (\$15.09) and the market closing price on the date of the original grant (\$8.65) multiplied by the 75,000 restricted stock units that were modified.

Includes \$42,000 of salary paid in the form of 3,629 shares of Salary Stock in 2013. The number of shares issued each semi-monthly pay period to Mr. Schuette had a value on the date of issuance of \$2,800, which was net of (10) \$2,763 of withholding taxes, resulting in individual grants ranging from 188 to 283 at a per share grant date value of \$9.91 to \$14.92. The Salary Stock was fully vested upon issuance.

(11) Granted 5,500 time-based restricted stock units for additional responsibilities assumed in 2015 with the acquisitions of FNB and Palmetto, which vest ratably over four years.

In connection with his hiring, 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 (12) 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 2015.

GRANT OF PLAN BASED AWARDS

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards			Estimated Future Payouts under Equity Incentive Plan Awards			At Other Stock Awards:	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold (#)	Target (#)	Maximum	Number of Shares of Stock or Units	
Jimmy C. Tallent	1/1/2015	\$225,000	\$450,000	\$675,000	-	-	-	-	\$ -
H. Lynn Harton	1/1/2015	206,250	412,500	618,750	-	-	-	-	-
Rex S. Schuette	1/1/2015	97,000	194,000	291,000	-	-	-	-	-
Bill M. Gilbert	1/1/2015	62,500	125,000	187,500	-	-	-	-	-
	9/1/2015				-	-	-	5,500	104,335
Robert A. Edwards	2/3/2015	62,500	125,000	187,500	-	-	-	-	-
	2/3/2015				2,500	5,000	5,000	47,500	876,375

Outstanding Equity Awards as of December 31, 2015

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, 2015.

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 Vested (2)	Market Value Not Vested (3)	Number Vested (2)	Market Value Not Vested (3)
Jimmy C. Tallent	6,442	-	\$ 138.80	4/26/2016				
	7,273	-	147.60	4/25/2017				
	9,352	-	66.15	4/30/2018				
	23,067	-			-	\$ -	99,000	\$ 1,929,510
H. Lynn Harton	-	-			-	-	89,760	1,749,422
Rex S. Schuette	3,637	-	138.80	4/26/2016				
	3,845	-	147.60	4/25/2017				
	4,156	-	66.40	5/5/2018				
	11,638	-			-	-	45,870	894,006
Bill M. Gilbert	1,143	-	138.80	4/26/2016				
	1,247	-	147.60	4/25/2017				
	1,559	-	66.40	5/5/2018				
	1,411	-	31.50	6/22/2019				
	5,360	-			5,500	107,195	26,400	514,536

(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, 2015 of \$19.49 multiplied by the number of unvested restricted stock units.

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 2015.

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	-	\$ -	33,000	\$ 613,635
H. Lynn Harton	-	-	104,920	2,055,612
Rex S. Schuette	-	-	15,290	284,318
Bill M. Gilbert	-	-	8,800	163,636
Robert A. Edwards	-	-	-	-

⁽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.

Equity Compensation Plan Information at December 31, 2015

The following table provides information about stock options outstanding as of December 31, 2015 and stock options, restricted stock and other equity awards available to be granted in future years.

EQUITY COMPENSATION PLAN INFORMATION

Total Outstanding	Weighted-Average	Number Available for
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	Options / Restricted Stock Awards	Exercise Price of Outstanding Options / Restricted Stock Awards	Issuance Under Equity Compensation Plans ⁽¹⁾
Equity compensation plans approved by shareholders	954,160	\$ 22.76	248,166
Equity compensation plans not approved by shareholders	-	-	-
Total	954,160	\$ 22.76	248,166

⁽¹⁾ 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.

Pension Benefits

The following table presents select retirement benefit information for 2015 for each Named Executive Officer that was a participant in the Modified Retirement Plan.

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During 2015
Jimmy C. Tallent	Modified Retirement Plan	32	\$ 2,202,016	\$ -
H. Lynn Harton	Modified Retirement Plan	3	282,955	-
Rex S. Schuette	Modified Retirement Plan	15	1,729,062	-
Bill M. Gilbert	Modified Retirement Plan	16	739,810	-
Robert A. Edwards	Modified Retirement Plan	-	22,230	-

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 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.

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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 2015 for each Named Executive Officer that was a participant in the Deferred Compensation Plan.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions During 2015 ⁽¹⁾	Company Contributions During 2015 ⁽²⁾	Account Earnings During 2015	Aggregate Withdrawals / Distributions	Aggregate Balance at December 31, 2015
Jimmy C. Tallent	\$ 905,215	\$ 28,375	\$ 83,240	\$ -	\$ 2,572,328
H. Lynn Harton	369,504	7,125	6,178	-	749,924
Rex S. Schuette	90,659	3,075	95,518	-	1,047,661
Bill M. Gilbert	52,178	875	37,013	-	527,691
Robert A. Edwards	-	-	-	-	-

⁽¹⁾ All executive contributions, as applicable, are included in the amounts under the column heading Salary and Stock awards, as applicable, during the year of grant in the Summary Compensation Table.

⁽²⁾ 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 and matching of deferred bonuses fifty cents per dollar up to 5% of bonus or non-equity incentive compensation award subject to the same vesting provisions of the 401(k) Plan. 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 2015. 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 or any subsidiary or community bank.

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, ten, or fifteen 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.

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Severance and Employment Agreements

Each of the NEOs have 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 Named Executive Officer’s employment without entitlement to the benefits under the Severance Agreements and (ii) six months after such Named Executive Officer’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 Named Executive Officer and United.

The Severance Agreements provide for payment of compensation and benefits to the Named Executive Officer 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 without “cause” or the Named Executive Officer terminates for “good reason.” The Named Executive Officer 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 Named Executive Officer’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 Named Executive Officer for “good reason,” the Named Executive Officer 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.

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The following table outlines the compensation payable to the NEOs, assuming separation from service on December 31, 2015, 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	Termination by United Without Cause or by Executive for Good Reason Within Six Months Prior to or Following Change in Control ⁽¹⁾	Termination Due to Death	Termination Due to Disability
Jimmy C. Tallent	\$ -	\$ 1,929,510	(2) \$ 5,166,158	\$ 643,170	(3) \$ 643,170 (3)
H. Lynn Harton	-	1,749,422	(2) 6,833,500	583,141	(3) 866,096 (3)(4)
Rex S. Schuette	-	894,006	(2) 2,913,689	298,002	(3) 298,002 (3)
Bill M. Gilbert	-	514,536	(3) 1,526,552	278,707	(4) 278,707 (6)
Robert A. Edwards	-	-	(7) 1,031,662	(8) -	(7) 22,230 (9)(10)

(1) Represents all compensation that would become due as the result of a “change in control” on December 31, 2015, 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.

(2) In the event of a termination without cause or for good reason, Mr. Tallent, Mr. Harton and Mr. Schuette would continue to vest in all of his respective unvested restricted stock units granted in 2013 on the same schedule as if he was employed.

(3) In the event of death or disability, Mr. Tallent, Mr. Harton and Mr. Schuette would 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 with the remaining unvested portions forfeited.

(4)

The disability retirement benefit under the Modified Retirement Plan is equal to Mr. Harton's accrued benefit under the plan

In the event of a termination without cause or for good reason, Mr. Gilbert would (i) continue to vest in all of his unvested restricted stock units granted in 2013 on the same schedule as if he was still employed and (ii) forfeit all (5) unvested restricted stock units granted in 2015, provided that if such termination without cause or for good reason occurs within 6 months prior to or 18 months following a change in control, Mr. Gilbert would vest in the unvested restricted stock units granted in 2015 upon the later of the change in control or termination of employment.

In the event of death or disability, Mr. Gilbert would immediately vest in (i) the unvested portion of restricted stock (6) units granted in 2013 for the current year and the unvested portion of the grant for the subsequent year with the remaining unvested portions forfeited and (ii) the unvested restricted stock units granted in 2015.

In the event of a termination without cause or for good reason, Mr. Edwards would forfeit all of his restricted stock (7) units granted in 2015 because such termination did not occur beyond the initial restriction period of one year and thirty days from the date of grant.

(8) Restricted stock units granted to Mr. Edwards in 2015 are not included in this calculation because the separation from service and change in control period did not occur beyond the initial restriction period.

(9) Because Mr. Edwards' termination did not occur beyond the initial restriction period of one year and thirty days from the date of grant, he would forfeit all of his restricted stock units granted in 2015.

(10) The disability retirement benefit under the Modified Retirement Plan is equal to Mr. Edwards' accrued benefit under the plan.

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 a Named Executive Officer's voluntary or involuntary termination, retirement, disability or death.

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 summarizes changes that the Committee approved related to annual director cash compensation as a result of discussions with the consulting firm.

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Name	Effective through 3rd Quarter 2015	Effective Beginning 4th Quarter 2015
Director	\$ 25,000	\$ 32,500
Lead Director of the Board	\$ 25,000	\$ 25,000
Audit Committee member	\$ 4,000	\$ 6,000
Audit Committee Chair	\$ 10,000	\$ 10,000
Compensation Committee Chair	\$ 5,000	\$ 6,000
Nominating / Corporate Governance Committee Chair	\$ -	\$ 4,500
Risk Committee member	\$ 4,000	\$ 6,000
Risk Committee Chair	\$ 10,000	\$ 10,000

Directors of the Company also serve on the Board of the 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. In 2015, 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. Grants with an aggregate grant-date fair value of \$25,012 were granted on June 4, 2015 to directors serving as of that date and additional grants with an grant-date fair value of \$7,493 were granted on September 1, 2015 to directors serving as of that date (concurrent with the approval of increased annual equity grants effective September 1, 2015).

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The following table provides information regarding 2015 compensation for non-management directors that served in that capacity during 2015. 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 2015.

Name	Fees Earned or Paid in Cash	Restricted Stock Unit Awards ⁽¹⁾	Nonqualified Deferred Compensation Earnings	All Other Compensation ⁽²⁾	Total
W. C. Nelson, Jr.	\$ 56,875	\$ 32,505	\$ -	\$ 13,077	\$102,458
Robert H. Blalock	35,875	32,505	-	11,577	79,958
Clifford V. Brokaw ⁽³⁾	-	-	-	-	-
L. Cathy Cox	40,875	32,505	1,527	1,077	75,985
Kenneth L. Daniels ⁽⁴⁾	8,125	16,266	-	-	24,391
Steven J. Goldstein ⁽⁵⁾	45,875	32,505	4,118	1,077	83,576
Nicholas B. Paumgarten ⁽⁶⁾	8,125	-	-	-	8,125
Thomas A. Richlovsky	45,875	32,505	-	1,077	79,458
Tim R. Wallis	26,875	32,505	-	7,077	66,458

Each non-employee director, with the exception of Messers. Brokaw, Daniels and Paumgarten, was granted 1,300 restricted stock units on June 4, 2015 which were valued at \$19.24 per share, the price of United's Common Stock on the date of grant. Each non-employee director, with the exception of Messers. Brokaw, Daniels and Paumgarten, was granted an additional 395 restricted stock units on September 1, 2015 which were valued at \$18.97 per share, the price of United's Common Stock on the date of grant. Both the June and September awards will vest in August ⁽¹⁾2016. Mr. Daniels did not receive the June or September grants because he was not a member of the Board at the time of such grants but was granted 790 restricted stock units on November 13, 2015 in conjunction with his appointment to the Board. These awards were valued at \$20.59 per share, the price of United's Common Stock on the date of grant, and will vest in February 2017. Neither Mr. Brokaw or Mr. Paumgarten received any equity compensation for serving on United's Board during 2015.

⁽²⁾ Represents fees paid to directors for serving on one or more of United's community bank boards and dividends paid on restricted stock units.

⁽³⁾ Mr. Brokaw did not accept any compensation for serving on United's Board during 2015. Mr. Brokaw retired from the Board effective August 28, 2015.

Mr. Daniels was appointed to the Board in November 2015. As such, Fees Earned or Paid in Cash relative to Mr.

⁽⁴⁾ Daniels includes one quarterly payment during 2015 and restricted stock unit awards were granted were prorated for a partial year.

⁽⁵⁾ Dr. Steven J. Goldstein retired from the Board effective March 1, 2016.

Mr. Paumgarten was appointed to the Board in August 2015. As such, Fees Earned or Paid in Cash relative to Mr.

⁽⁶⁾ Paumgarten includes one quarterly payment during 2015.

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

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The following table sets forth information regarding beneficial ownership of United's voting securities. Unless otherwise indicated, the information presented is as of February 29, 2016 and is based on 66,239,446 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 and any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days of February 29, 2016, unless otherwise indicated, through the exercise of any stock option or other right, and any shares that are pledged as security pursuant to various financial obligations. 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 Named Executive Officer; and

· All executive officers and directors as a group.

Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares of voting securities beneficially owned by such shareholder.

Name and Address	Number of Shares of Common Stock Owned Directly or Indirectly	Number of Shares Underlying Options Exercisable Within 60 Days	Number of Shares Beneficially Owned - Restricted Stock Units	Number of Shares Issuable Under the Deferred Compensation Plan	Total Number of Shares Beneficially Owned	Percentage Beneficially Owned
BlackRock Fund Advisors ⁽¹⁾ 400 Howard Street San Francisco, CA 94104	5,670,947	-	-	-	5,670,947	8.57 %
Wellington Management Co. LLP ⁽²⁾ 280 Congress Street Boston, MA 02210	5,471,662	-	-	-	5,471,662	8.27 %
CapGen Capital Group LP ⁽³⁾ 120 West 45th Street	3,992,453	-	-	-	3,992,453	6.03 %

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Jimmy C. Tallent (4)	141,436	23,067	75,900	116,436	356,839	*
W.C. Nelson, Jr. (5)	424,684	-	4,034	-	428,718	*
Robert H. Blalock (6)	32,063	-	4,034	-	36,097	*
L. Cathy Cox	5,966	-	4,034	2,584	12,584	*
Kenneth L. Daniels	-	-	790	-	790	*
Robert A. Edwards	10,781	-	36,042	-	46,823	*
Bill M. Gilbert (7)	11,430	5,360	25,740	24,197	66,727	*
H. Lynn Harton	98,850	-	68,816	56,887	224,553	*
Thomas A. Richlovsky	14,217	-	4,034	-	18,251	*
Rex S. Schuette (8)	52,001	11,638	35,167	60,445	159,251	*
Tim R. Wallis (9)	85,634	-	4,034	-	89,668	*
All Directors and Executive Officers as a Group (14 persons) **	895,151	48,401	323,750	280,370	1,547,672	2.31 %

* Represents less than 1% of the deemed outstanding shares of Common Stock.

** Includes all named individuals (directors and Named Executive Officers) as well as Richard Bradshaw, Alan Kumler and Bradley Miller (executive officers not designated as Named Executive Officers).

Based in part on information contained in Schedule 13G/A filed by BlackRock, Inc. with the Securities and Exchange Commission on January 22, 2016 indicating sole voting power relative to 5,670,947 shares of the voting (1) Common Stock as of December 31, 2015, and sole dispositive power relative to 5,782,954 shares of the Common Stock as of December 31, 2015, which would have comprised 8.57% and 8.74%, respectively, of United's 66,198,477 shares of Common Stock outstanding as of December 31, 2015.

Based in part on information contained in Schedule 13G/A filed by Wellington Management Group LLP ("Wellington MG"), Wellington Group Holdings LLP ("Wellington GH"), Wellington Investment Advisors Holdings LLP ("Wellington IAH") and Wellington Management Company LLP ("Wellington MC") with the Securities and Exchange Commission on February 11, 2016 indicating (i) Wellington MG's, Wellington GH's and Wellington IAH's shared voting power relative to 5,471,662 shares of the Common Stock as of December 31, 2015, and shared (2) dispositive power relative to 6,256,191 shares of the Common Stock as of December 31, 2015, which would have comprised 8.27% and 9.45%, respectively, of United's 66,198,477 shares of voting Common Stock outstanding as of December 31, 2015; and (ii) Wellington MC's shared voting power relative to 5,092,332 shares of the Common Stock as of December 31, 2015, and shared dispositive power relative to 5,558,895 shares of the Common Stock as of December 31, 2015, which would have comprised 7.69% and 8.40%, respectively, of United's 66,198,477 shares of voting Common Stock outstanding as of December 31, 2015.

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- Based in part on information contained in Schedule 13G/A filed by CapGen Capital Group V LP (“CapGen LP”), CapGen Capital GroupV LLC (“CapGen LLC”), Eugene A. Ludwig, Robert B. Goldstein and John P. Sullivan with the Securities and Exchange Commission on February 12, 2016 indicating (i) CapGen LP’s and CapGen LLC’s sole voting power and sole dispositive power relative to 3,992,453 shares of the voting Common Stock as of December 31, 2015, which would have comprised 6.03% of United’s 66,198,477 shares of voting Common Stock outstanding as of December 31, 2015; and (ii) Messers Ludwig’s, Goldstein’s and Sullivan’s shared voting power and shared dispositive power relative to 3,992,453 shares of the voting Common Stock at of December 31, 2015, which would have comprised 6.03% of United’s 66,198,477 shares of voting Common Stock as of December 31, 2015.
- (3) 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.
- (4) 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 owned by Mr. Nelson; and 245 shares owned by King Ford, a company in which Mr. Nelson is 50% owner.
- (5) 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 owned by Mr. Blalock.
- (6) (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 81,417 shares owned by Wallis Investment Co., LLC, a company owned by Mr. Wallis.

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, 2015, except that Tim Wallis filed one late report on Form 5 for one transaction.

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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 2015, PricewaterhouseCoopers LLP ("PwC"), was 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 2015.

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, 2015 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.

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Our Board has adopted a resolution recommending that the shareholders approve an amendment to our Articles to increase the number of authorized shares of common stock from 100,000,000 shares to 150,000,000 shares. If the shareholders approve the amendment, then the Articles will be amended to increase the number of authorized shares of common stock to 150,000,000 shares.

The primary purpose of this proposal is to provide us with the flexibility to issue additional shares from time to time, as our Board may determine, for future financings, strategic business relationships, stock-based incentives to employees, directors and consultants and for other purposes. The following table summarizes the shares of Common Stock outstanding and reserved for general issuance upon the exercise of all outstanding options, the vesting of restricted stock and restricted stock units and the issuance of shares under the Deferred Compensation Plan. The Board also believes that having sufficient shares remaining available for use will enable the Board to act quickly to take advantage of various business opportunities.

	As of February 29, 2016	Upon Effectiveness of Proposed Amendment		
Shares of Common Stock issued and outstanding	71,524,962	71,524,962		
Shares of Common Stock reserved for issuance	1,570,094	1,570,094		
Shares of Common Stock potentially outstanding	73,095,056	73,095,056		
Shares of Common Stock available for future issuance	26,904,944	76,904,944		
Shares of Common Stock authorized	100,000,000	150,000,000		
Shares of Common Stock available for future issuance as a percentage of Common Shares potentially outstanding	36.8	%	105.2	%

Any future issuance of additional Common Stock could have a dilutive impact on the book value and earnings per share of the outstanding shares and would decrease the relative voting power of current shareholders. United does not currently have any material commitments, arrangements or understanding which would require the issuance of additional shares of Common Stock.

The Board does not believe that an increase in the number of authorized shares of Common Stock will have a significant impact on any attempt to gain control of United. It is possible, however, that the availability of authorized but unissued shares of Common Stock could discourage third parties from attempting to gain control since the Board

could authorize the issuance of shares of Common Stock in a manner that could dilute the voting power of a person attempting to acquire control of United, increase the cost of acquiring such control or otherwise hinder such efforts. The Board is not aware of any present threat or attempt to gain control of United and this proposal is not in response to any such action nor is it being presented with the intent that it be utilized as a type of anti-takeover device.

If this proposal is adopted, the Articles would be amended as set forth in Appendix A. Although United intends to file the amendment with the Secretary of State of Georgia as promptly as possible after the amendment is approved by shareholders, the Board reserves the right to delay or abandon the amendment at its discretion.

Vote Required

The affirmative vote of holders of a majority of the shares of Common Stock outstanding on the record date is required to approve this Amendment. Accordingly, any abstention or broker non-vote will count as a vote against the proposal.

Recommendation

The Board recommends you vote “FOR” the amendment to our Restated Articles of Incorporation, as amended, to increase the number of authorized shares of Common Stock.

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PROPOSAL 3

APPROVAL OF amendment NO. 4 to THE AMENDED AND RESTATED 2000 KEY EMPLOYEE STOCK OPTION PLAN

Introduction

On March 18, 2016, the Board adopted Amendment No. 4 to United's Equity Plan subject to shareholder approval of certain provisions of the amendment solicited by this proxy statement. The amendment is set forth in Appendix B hereto.

Shareholder approval is requested with respect to: (i) approving an increase in the number of shares available for the grant of awards under the Equity Plan after the date hereof from 248,166 shares to a total of 2,250,000 available shares (in excess of the 954,160 shares covered by outstanding awards under the Equity Plan) and changes in rules for determining the number of shares available for grant under the Equity Plan; (ii) re-approving the performance measures that may be used in connection with the grant of a performance award under the Equity Plan; (iii) approving a limit on the maximum number of shares that may be granted pursuant to full value grants to any one non-employee director of United in one year; (iv) approving the limit on shares available for grants of restricted stock and restricted stock units with restriction periods of less than three years (or less than one year for performance-based grants); and (v) extending the term of the Equity Plan. Shareholder approval of the amendment is required by the Nasdaq Marketplace Rules and is required in order to provide the incentive stock option recipients with the favorable tax treatment afforded options under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), if applicable. Shareholder approval of the amendment is also sought to comply with and to continue to qualify the Equity Plan under Section 162(m) of the Code. Section 3.2 of the Equity Plan is also being amended, however this amendment is not subject to shareholder approval. The Equity Plan was previously approved by the shareholders of United. If shareholder approval of the amended Equity Plan is not received, the Equity Plan will continue without the amendment related to increasing the number of aggregate shares, changing the rules for determining shares available for grants, re-approving the performance measures, re-approving the individual participant limits, imposing the individual director limits, limiting the percentage of shares available for grants of restricted stock and restricted stock units with restriction periods of less than three years (or less than one year for performance-based grants), and extending the term of the Equity Plan.

The objectives of the Equity Plan are: (1) to attract, motivate and retain employees and directors of United by providing compensation opportunities that are competitive with other companies; (2) to provide incentives to participants who contribute significantly to the long-term performance and growth of United and its affiliates; and (3) to align the long-term financial interests of participants in the Equity Plan with those of shareholders.

The Equity Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Nature of the Amendments

The amendment to the Equity Plan modifies the existing Equity Plan to: (1) increase the number of shares available for new awards under the Equity Plan from 248,166 shares to a total of 2,250,000 available shares (in excess of the 954,160 shares covered by outstanding awards under the Equity Plan); (2) provide that the number of shares that may be granted from available shares as full-value awards will be the same as the total number of shares reserved for issuance under the Equity Plan; (3) impose limits on shares that may be granted pursuant to awards to any one non-employee director of United in one year; (4) limit the percentage of shares available for grants of restricted stock and restricted stock units with restriction periods of less than three years (or less than one year for performance-based grants); and (5) extend the term of the Equity Plan.

As of December 31, 2015, there were 248,166 shares available for grant under the Equity Plan, and the sum of United's outstanding stock options, restricted stock and restricted stock units totaled 954,160. This total divided by the 71.5 million outstanding shares of voting and non-voting common stock as of such date resulted in an "overhang" for United of 1.7%. Increasing the number of shares available for grant of new awards under the Plan pursuant to the amendment to 2,250,000 available shares (in excess of the 954,160 shares covered by outstanding awards under the Equity Plan) would cause United's "overhang" to equal 4.5% compared with an average of 7.7% for a peer group of bank holding companies (with median total assets of \$9.1 billion) selected by an outside consultant.

The outstanding awards under the existing Equity Plan will continue to remain outstanding in accordance with their terms.

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Description of the Equity Plan, as Amended

The following is a description of the principal provisions of the Equity Plan, as amended. This summary is qualified in its entirety by reference to the full text of Amendment No. 4 attached as Appendix B to this Proxy Statement and the Equity Plan document.

General

The Equity Plan is administered by the Compensation Committee of the Board or such other committee consisting of two or more members as may be appointed by the Board to administer the Equity Plan. If any member of the Compensation Committee does not qualify as (i) a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 and (ii) an “outside director” within the meaning of Section 162(m) of the Code, a subcommittee of the Compensation Committee shall be appointed to grant awards to NEOs and to other officers who are subject to Section 16 of the Securities Exchange Act of 1934, and each member of such subcommittee shall satisfy the requirements of (i) and (ii) above. References to the Compensation Committee in this proposal shall include and, as appropriate, apply to any such subcommittee. Subject to the requirement that shareholder approval be obtained for certain types of amendments, the Equity Plan may be amended by the Board, in whole or in part, but no such action shall adversely impact any rights or obligations with respect to any awards previously granted under the Equity Plan unless the participants impacted by such amendment provide their written consent.

Under the Equity Plan, participants may be granted stock options (incentive and nonqualified), stock appreciation rights (“SARs”), restricted stock, restricted stock units, performance shares and stock awards. The maximum number of incentive stock options that may be issued under the Equity Plan is the same as the number of authorized shares. No more than five percent (5%) of the available shares authorized for issuance under the Equity Plan may be granted in the form of restricted stock, restricted stock units or performance shares (“Full Value Grants”) with restriction periods less than three years (or one year for performance-based grants). Except to the extent the Compensation Committee determines that an award is not required to comply or shall not comply with the performance-based compensation provisions of Section 162(m) of the Code, the maximum number of shares subject to options and SARs that, in the aggregate, may be granted pursuant to awards in any one calendar year to any one participant shall be 100,000 shares, and the maximum number of shares of Full Value Grants that may be granted, in the aggregate, pursuant to awards in any one calendar year to any one participant shall be 100,000 shares. Notwithstanding the preceding sentence, the maximum number of shares of Full Value Grants that may be granted, in the aggregate, pursuant to awards in any one calendar year to any one non-employee director shall be 7,500 shares.

In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as a merger, consolidation, separation, including a spin-off, or other distribution of stock or property, any reorganization or any partial or complete liquidation of United, such adjustment shall be made in the number and class of shares which

may be delivered under the Equity Plan and in the number and class of and/or price of shares subject to outstanding awards granted under the Equity Plan, as may be determined to be appropriate and equitable by the Compensation Committee, in its sole discretion, to prevent dilution or enlargement of rights.

The shares to be delivered under the Equity Plan will be made available from authorized but unissued shares of Common Stock, treasury shares, and shares purchased in the open market or otherwise. Shares awarded or subject to purchase under the Equity Plan and that are not delivered or purchased, or are reacquired by United as a result of forfeiture or termination, expiration, or cancellation of an award, will again be available for issuance under the Equity Plan (on a one-to-one basis). However, shares that are used to pay the exercise price of an option (including through a net exercise or attestation) or shares that are surrendered for payment of tax withholding obligations shall be counted as issued under the Equity Plan and shall reduce the number of shares available for issuance.

The Compensation Committee (or in the case of awards to directors, the Board) will determine the individuals to whom awards will be granted, the number of shares subject to an award and the other terms and conditions of an award (references hereafter to the Compensation Committee shall, where appropriate, in the case of awards to directors, include the Board). To the extent provided by law, the Compensation Committee may delegate, to one or more persons, the authority to grant awards to individuals who are not NEOs. As applicable, when used in this description of the Equity Plan, the term Compensation Committee also refers to any such individual to whom the Compensation Committee has delegated some of its authority to grant awards. The Compensation Committee may also provide in option or other agreements relating to awards under the Equity Plan for automatic accelerated vesting and other rights upon the occurrence of a "change in control" or upon the occurrence of other events as may be specified in such agreements. However, except for adjustments noted above or to the extent approved by the Company's shareholders and consistent with the rules of any stock exchange on which the Company's securities are traded, the Equity Plan does not permit (i) any decrease in the option price or initial value of any outstanding options or SARs; (ii) the issuance of any replacement options or SARs which is deemed to occur if a participant agrees to forfeit an existing option or SAR in exchange for a new option or SAR with a lower option price or initial value; (iii) United to repurchase underwater or out-of-the-money options or SARs which are deemed to be those options or SARs with option prices or initial values in excess of the then current fair market value of the shares underlying the options or SARs; (iv) the issuance of any replacement or substitute options or SARs or the payment of cash or other awards in exchange for, or in substitution of, underwater or out-of-the-money options or SARs; (v) United to repurchase any options or SARs if the options or SARs have not become exercisable, vested or payable prior to the repurchase; or (vi) any other action that is treated as a repricing under generally accepted accounting principles or applicable Nasdaq listing rules.

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Stock Options

The number of shares subject to a stock option, the type of stock option (i.e., incentive stock option or nonqualified stock option), the exercise price of a stock option (which shall be not less than the fair market value of a share on the date of grant) and the period of exercise (including upon termination of employment) will be determined by the Compensation Committee and set forth in an option or other agreement provided that no option will be exercisable more than 10 years after the date of grant.

Options granted under the Equity Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Compensation Committee shall, in each instance, approve, including conditions related to the employment of, or provision of services by, a participant. The option price upon exercise shall be paid to United in full: (a) in cash; (b) by cash equivalent approved by the Compensation Committee; (c) by tendering previously acquired shares having an aggregate fair market value at the time of exercise equal to the total exercise option price, (d) by delivery of a notice of a net exercise or (e) by any combination of the foregoing. The Compensation Committee may also allow cashless exercises as permitted under the Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Compensation Committee determines to be consistent with the amended Equity Plan's purpose and applicable law.

SARs

SARs granted under the Equity Plan entitle the participant to receive an amount payable in shares or cash, or both, as determined by the Compensation Committee, equal to the excess of the fair market value of a share on the day the SAR is exercised over the specified exercise price, which will not be less than the fair market value of a share on the grant date of the SAR. The exercise period of a SAR may not exceed 10 years. SARs may be granted in tandem with a related stock option or independently. The Compensation Committee shall determine and set forth in an agreement relating to the award or other agreement the extent to which SARs are exercisable after termination of employment.

Restricted Stock and Restricted Stock Units

Restricted stock is an award of shares that vests over time and is subject to forfeiture in certain circumstances. Restricted stock awards may be made either alone, in addition to, or in tandem with other types of awards permitted under the Equity Plan and may be current grants of restricted stock or deferred grants. The terms of restricted stock awards, including the restriction period and the extent to which the participant will have the right to receive unvested restricted stock following termination of employment or other events will be determined by the Compensation Committee and be set forth in an agreement relating to such award. Unless otherwise set forth in an agreement relating

to a restricted stock award, the participant receiving restricted stock shall have all of the rights of a shareholder of United, including the right to vote the shares and the right to receive dividends, provided that the Compensation Committee may require that any dividends on such shares of restricted stock be automatically deferred and reinvested in additional restricted stock or may require that dividends on such shares be paid to United to be held for the account of the participant.

A restricted stock unit is an unsecured promise to transfer a share or equivalent cash at a specified future date, such as a fixed number of years, retirement or other termination of employment (which date may be later than the vesting date of the award at which time the right to receive the share becomes non-forfeitable). Restricted stock units represent the right to receive a specified number of shares at specified times and is subject to restriction periods and other conditions as the Compensation Committee determines. A participant to whom restricted stock units are awarded has no rights as a shareholder with respect to the shares represented by the restricted stock units unless and until shares are actually delivered to the participant in settlement of the award. However, restricted stock units may have dividend-equivalent rights if provided for by the Compensation Committee.

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The restriction period for restricted stock and restricted stock units that are not subject to performance conditions will not be less than three years (but graded vesting may be provided). However, up to five percent (5%) of the available shares for issuance under the Equity Plan may provide for a restriction period of less than three years (less than one year for performance based awards).

Performance Shares

Performance shares are awards granted in terms of a stated potential maximum number of shares with the actual number and value earned to be determined by reference to the satisfaction of performance targets established by the Compensation Committee. Such awards may be granted subject to any restrictions, in addition to performance conditions, deemed appropriate by the Compensation Committee. To the extent provided in an agreement relating to performance shares, a participant may be entitled to receive any dividends declared with respect to shares that have been earned but that have not yet been distributed to the participant and shall be entitled to exercise full voting rights with respect to such shares. To the extent provided in an agreement relating to performance shares, a participant may receive a cash payment equal to the dividends that would have been payable with respect to shares covered by the performance share award between the date performance shares are awarded and the date that a transfer of shares to the participant, cash settlement or combination thereof is made pursuant to such award. However, for NEOs, the dividends that would have been paid on unvested shares and performance shares shall be accrued and paid when vested based on the shares distributed at such dates.

The restriction period for performance-based awards will not be less than one year. However, up to five percent (5%) of the available shares for issuance under the Equity Plan may provide for a restriction period of less than one year (less than three years for non-performance based awards).

Performance Measures

If awards granted or issued under the Equity Plan are intended to qualify under the performance-based compensation provisions of Section 162(m) of the Code, the performance measure(s) to be used for purposes of such awards shall be chosen by the Compensation Committee from among the following (which may relate to United or a business unit, division or subsidiary):

- Net operating income or the growth in such net operating income;
- Operating earnings per share or the growth in such operating earnings per share;

· Annual growth in consolidated total revenue, loans and deposits;

· Changes or increases in market share;

· Operating earnings before taxes or the growth in such earnings;

· Stock price or the growth in such price;

· Operating return on equity, tangible equity, and assets or the growth on such returns;

· Total shareholders' return or the growth in such return;

· Contribution to geographic expansion;

· Level of expenses or the reduction of expenses, overhead ratios or changes in such ratios, operating efficiency ratios or changes in such ratios;

· Loan quality or the changes in the level of loan quality or changes in the ratios of net charge-offs to loans or non-performing assets to assets;

· Customer satisfaction scores or changes in scores; and/or

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Economic value added or changes in such value added.

The Compensation Committee can establish other performance measures for awards granted to participants that are not NEOs or for awards granted to NEOs that are not intended to qualify under the performance-based compensation provisions of Section 162(m) of the Code. In measuring performance, the Compensation Committee may adjust United's financial results to exclude the impact of unusual charges or income items that distort year-to-year comparisons of results and other events including acquisitions or dispositions of businesses or assets, de novo expansions, recapitalizations, reorganizations or reductions-in-force. With respect to NEOs, the Compensation Committee shall consider the provisions of Section 162(m) in making adjustments for awards intended to comply with Section 162(m). The Compensation Committee may also make adjustments to eliminate the impact of changes in tax or accounting rules and regulations.

Repricing Prohibited

The Equity Plan prohibits United from reducing the exercise price of outstanding options or SARs or taking any other action that would constitute repricing without first receiving shareholder approval.

Deferral Rights

The Compensation Committee may permit a participant to defer to another plan or program such participant's receipt of shares or cash that would otherwise be due to such participant by virtue of the exercise of an option or SAR, the vesting of restricted stock or restricted stock units or the earning of a performance-share award. If any such deferral election is required or permitted, the Compensation Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals.

Duration of Plan

The Equity Plan, as amended, shall be effective until March 18, 2026 if Amendment No. 4 is approved by shareholders.

Federal Income Tax Consequences

The following is a brief summary of the current federal income tax consequences of awards made under the Equity Plan. This summary is general in nature and is not intended to cover all tax consequences that may apply to participants and United. Further, the provisions of the Code and the regulations and rulings thereunder relating to these matters may change.

Stock Options

A participant will not recognize any income upon the grant of a stock option but will recognize compensation taxable as ordinary income (and subject to income tax withholding) upon exercise of a nonqualified stock option equal to the excess of the fair market value of the shares purchased over the exercise price, and United will be entitled to a corresponding deduction. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option provided that the incentive stock option is exercised either while the participant is an employee of United or within three months (one year if the participant dies or is disabled within the meaning of Section 22(e)(3) of the Code) following the participant's termination of employment. If shares acquired through the exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of such shares will be taxed as a long-term capital gain or loss, and United will not be entitled to any deduction. If, however, such shares are disposed of within the above-described period, in the year of such disposition the participant will recognize income taxable as ordinary income equal to the excess of (i) the fair market value of such shares on the date of exercise or, if less, the amount realized upon such disposition, over (ii) the exercise price. In such case, United will be entitled to a corresponding deduction.

SARs

A participant will not recognize any income upon the grant of a SAR. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding) upon exercise of a SAR equal to the fair market value of any shares delivered and the amount of any cash paid to the participant upon such exercise, and United will be entitled to a corresponding deduction.

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Restricted Stock

A participant will not recognize taxable income at the time of grant of a restricted stock award, and United will not be entitled to a tax deduction at such time unless the participant makes an election under a special Code provision to be taxed at the time such restricted stock award is granted. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding) at the time the restrictions on such restricted stock award lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. The amount of ordinary income recognized by a participant making the above-described special election or upon the lapse of the restrictions is deductible by United as compensation expense. In addition, a participant receiving dividends with respect to shares subject to a restricted stock award for which the above-described election has not been made and prior to the time the restrictions lapse will recognize taxable compensation (subject to income tax withholding), rather than dividend income, in an amount equal to the dividends paid, and United will be entitled to a corresponding deduction.

Restricted Stock Units

A participant will not recognize taxable income at the time of grant of a restricted stock unit, and United will not be entitled to a tax deduction at such time. When the participant receives shares pursuant to vesting or a distribution election for the restricted stock unit, the federal income tax consequences applicable to restricted stock awards, described above, will apply to the participant, and United will be entitled to a tax deduction.

Performance Shares

A participant will not recognize taxable income at the time of grant of a performance-share award, and United will not be entitled to a tax deduction at such time. Upon the settlement of a performance-share award, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding) in an amount equal to the fair market value of any shares delivered and the amount of any cash paid to the participant, and United will be entitled to a corresponding deduction.

Compliance with Section 162(m) of the Code

Section 162(m) of the Code denies an income tax deduction to an employer for certain compensation in excess of \$1,000,000 per year paid by a publicly-traded corporation to certain named executive officers (other than the chief

financial officer). Compensation realized with respect to stock options and SARs awarded under the Equity Plan, including upon exercise of a nonqualified stock option or upon a disqualifying disposition of an incentive stock option, as described above, will be excluded from this deductibility limit if it satisfies certain requirements including a requirement that the Equity Plan (as hereby amended) be approved by United's shareholders at the Annual Meeting. In addition, other types of awards under the Equity Plan may be excluded from this deduction limit if they are conditioned on the achievement of one or more of the performance measures described herein as required by Section 162(m) of the Code. To satisfy the requirements that apply to "performance-based" compensation, those performance measures must be approved by our current shareholders, and approval of the Equity Plan will also constitute approval of those measures.

Compliance with Section 409A of the Code

Section 409A of the Code establishes certain requirements with respect to compensation provided to employees and directors that is considered to be "deferred compensation" as defined in Section 409A. If any awards granted under the Equity Plan are subject to Section 409A, United intends that such awards will comply with Section 409A. In general, the Equity Plan will at all times be interpreted and operated in compliance with Section 409A including the applicable exceptions to Section 409A.

2016 Plan Awards

Going forward, the Compensation Committee plans to make annual grants to the NEOs. The majority of the new grants will be subject to performance-based vesting over three years, which reflects current market practices. For retention and shareholder value creation purposes, the Compensation Committee and the Board believe it is important to avoid having a gap in equity awards for its senior executives. See Compensation of Executive Officers and Directors - Compensation Discussion and Analysis for additional information regarding United's executive compensation policies and practices.

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Vote Required

The affirmative vote of a majority of the votes cast by the holders of the shares entitled to vote at a meeting at which a quorum is present is required to approve the amendment. Accordingly, any abstention or broker non-vote will count as a vote against the proposal.

Recommendation

The Board unanimously recommends a vote “FOR” the approval of Amendment No. 4 to the Amended and Restated 2000 Key Employee Stock Option Plan.

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PROPOSAL 4

**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 (the “Dodd-Frank 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 values 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.

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PROPOSAL 5

**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, 2016. The Board will present at the 2016 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 2016. 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, 2015 and 2014. Representatives of PwC are expected to be present at the 2016 Annual Meeting and will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions. During 2015 and 2014, United was billed the following amounts for services rendered by PwC:

	2015	2014
Audit fees	\$1,003,264	\$950,000
Audit-related fees	350,000	50,000
Tax fees	-	-
All other fees	-	-
Total fees	\$1,353,264	\$1,000,000

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 includes fees billed for assurance-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 2015, these services were performed in connection with United's acquisitions of MoneyTree Corporation and Palmetto Bancshares, Inc. In 2014, these services were performed in connection with United's acquisition of Business Carolina, Inc.

Tax Fees. There were no tax services provided by PwC in 2015 or 2014.

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 2015 or 2014.

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 2016 Annual Meeting.

United expects that its 2017 Annual Meeting will be held in May 2017. Any proposals or director recommendations by non-management shareholders intended for presentation at the 2017 Annual Meeting must be received by United at its principal executive offices, attention of the Secretary, no later than December 2, 2016 to be considered for inclusion in the proxy statement for the 2017 Annual Meeting. For any other shareholder matter intended to be presented for action at the 2017 Annual Meeting, United must receive a shareholder's notice on or before the later of 14 days prior to the 2017 Annual Meeting or five days after the Notice of Annual Meeting of Shareholders for the 2017 Annual Meeting is provided to the shareholders.

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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, 2015 filed with the SEC on February 26, 2016.

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 2016 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. 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 2016 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.

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APPENDIX A

ARTICLES OF AMENDMENT

OF

UNITED COMMUNITY BANKS, INC.

1.

The name of the corporation is United Community Banks, Inc.

2.

Article V of the Restated Articles of Incorporation, as amended, of the corporation is amended by deleting the first paragraph of Article V and replacing it with the following in lieu thereof:

“The corporation shall have authority to issue 150,000,000 shares of common stock, \$1.00 par value (the “Common Stock”), 26,000,000 shares of non-voting common stock, \$1.00 par value (the “Non-Voting Common Stock”), having the powers, rights and preferences, and the qualifications, limitations and restrictions thereof, and 10,000,000 shares of preferred stock, \$1.00 par value (the “Preferred Stock”). Subject to the provisions of any applicable law or the Bylaws of the corporation (as from time to time amended) with respect to fixing the record date for the determination of shareholders entitled to vote, and except as otherwise provided by any applicable law or by the resolution or resolutions of the board of directors providing for the issue of any series of Preferred Stock, the holders of the Common Stock shall have and possess exclusive voting power and rights for the election of directors and for all other purposes, with each share being entitled to one vote.”

3.

The amendment set forth in Section 2 hereof was adopted by the board of directors of the corporation at a meeting duly convened and held on March 18, 2016 and duly approved by the shareholders of the corporation on May 11, 2016 in accordance with the provisions of Section 14-2-1003 of the Georgia Business Corporation Code.

4.

The effective time of these Articles of Amendment is at 5:01 p.m. on the date of filing of these Articles of Amendment.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment to the Restated Articles of Incorporation, as amended, of United Community Banks, Inc. this 18th day of March, 2016.

**UNITED COMMUNITY BANKS,
INC.**

A Georgia corporation

By:

Jimmy C. Tallent
Chairman & Chief Executive Officer

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APPENDIX B

AMENDMENT NO. 4

TO THE

UNITED COMMUNITY BANKS, INC.

2000 KEY EMPLOYEE STOCK OPTION PLAN

(As Amended and Restated Effective as of March 15, 2007)

THIS AMENDMENT NO. 4 is made as of the 18th day of March, 2016, by **UNITED COMMUNITY BANKS, INC.** (the “Company”), to be effective as set forth herein.

WITNESSETH:

WHEREAS, the Company previously established the United Community Banks, Inc. 2000 Key Employee Stock Option Plan, which plan was amended and restated effective as of March 15, 2007 and further amended by Amendment No. 1 dated April 13, 2007 and Amendments No. 2 and 3 dated March 20, 2012 (collectively the “Plan”); and

WHEREAS, the Company now desires to amend the Plan to increase the aggregate number of Shares available for issuance under the Plan and to make certain other changes to the Plan.

NOW, THEREFORE, the Plan is hereby amended, as follows:

1.

Section 1.3 of the Plan is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“1.3 **Duration of the Plan.** The Plan shall be effective as of the date hereof, and shall remain in effect, subject to the right of the Board of Directors to amend or terminate the Plan at any time pursuant to Article 14, until March 18, 2026 (10 years from the date hereof).”

2.

Section 4.1 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“4.1 **Number of Shares.**

(a) Subject to adjustment as provided in Section 4.3, the total number of Shares which are available for issuance under the Plan shall be a total of 3,204,160 Shares (which total consists of 2,250,000 Shares for issuance pursuant to new Awards under the Plan and the 954,160 Shares covered by Awards currently outstanding under the Plan). The total number of Shares reserved for issuance under the Plan may be granted in the form of Options, SARs or Awards that must be settled in cash or other Awards (“Full Value Grants”). The maximum number of Shares available for grant as ISOs under the Plan shall be exactly the same as the total maximum number of Shares that may be issued pursuant to this Section 4.1. The Shares to be issued pursuant to the Plan may, in the discretion of the Company, be either authorized but unissued Shares or Shares held as treasury shares, including Shares purchased by the Company, whether on the market or otherwise.

(b) The following rules shall apply for purposes of the determination of the number of Shares available for grant under the Plan:

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(i) If, for any reason, any Shares awarded or subject to purchase under the Plan are not delivered or purchased, or are reacquired by the Company, for reasons including, but not limited to, a forfeiture of Restricted Stock or termination, expiration or cancellation of an Option, Stock Appreciation Rights, Restricted Stock Units or Performance Shares (“Returned Shares”), such Returned Shares shall not be charged against the aggregate number of Shares available for issuance pursuant to Awards under the Plan and shall again be available for issuance pursuant to an Award under the Plan (with Returned Shares being counted for this purpose on a one-for-one basis).

(ii) Each Performance Share awarded that may be settled in Shares shall be counted as one Share subject to an Award. Performance Shares that may not be settled in Shares (or that may be settled in Shares but are not) shall not result in a charge against the aggregate number of Shares available for issuance. Each Stock Appreciation Right to be settled in Shares shall be counted as one Share subject to an Award, regardless of the number of Shares that are actually issued upon exercise and settlement of the Stock Appreciation Right. Stock Appreciation Rights that may only be settled in cash and may not be settled in Shares shall not result in a charge against the aggregate number of Shares available for issuance. In addition, if a Stock Appreciation Right is granted in connection with an Option and the exercise of the Stock Appreciation Right results in the loss of the Option right, the Shares that otherwise would have been issued upon the exercise of such related Option shall not result in a charge against the aggregate number of Shares available for issuance.

(iii) Each Restricted Stock Unit that may be settled in Shares and Restricted Stock shall each be counted as one Share subject to an award. Restricted Stock Units that may only be settled in cash and may not be settled in Shares shall not result in a charge against the aggregate number of Shares available for issuance under the Plan.

(iv) In applying the provisions of this Section 4.1, Shares that are used to exercise an Award (including through a Net Exercise or attestation) or Shares withheld or surrendered for payment of tax withholding obligations shall be counted as issued and reduce the number of Shares available for issuance under the Plan.”

3.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“4.2 Individual Limits. Except to the extent the Committee determines that an Award to a Named Executive Officer is not intended to comply with Section 162(m) of the Code, for purposes of Awards to an individual who is a Named Executive Officer, the following rules shall apply to Awards under the Plan:

(a) Options and SARs. The maximum number of Options and Stock Appreciation Rights that, in the aggregate, may be granted pursuant to Awards in any one calendar year to any one Participant shall be 100,000 Shares.

(b) Restricted Stock, Restricted Stock Units and Performance Shares. The maximum aggregate number of Shares of Restricted Stock, number of Restricted Stock Units and Performance Shares that may be granted pursuant to Awards in any one calendar year to any one Participant shall be 100,000 Shares.

In addition to the limits set forth above, the maximum aggregate number of Shares that may be granted pursuant to Full Value Grants in any one calendar year to any one non-employee Director shall be 7,500 Shares.”

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4.

Section 4.3(b) of the Plan is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“(b) The limitations on the aggregate number of Shares that may be awarded to any one single Participant or Director in a specific period as set forth in Section 4.2 of the Plan.”

5.

Section 3.2 of the Plan is hereby amended by deleting the second sentence of Section 3.2 and substituting in lieu thereof the following:

“Notwithstanding any other provisions of this Plan, except for adjustments pursuant to Section 4.3 or to the extent approved by the Company’s shareholders and consistent with the rules of any stock exchange on which the Company’s securities are traded, this Plan does not permit (a) any decrease in the Option Price or Initial Value of any outstanding Options or SARs, (b) the issuance of any replacement Options or SARs which shall be deemed to occur if a Participant agrees to forfeit an existing Option or SAR in exchange for a new Option or SAR with a lower Option Price or Initial Value, (c) the Company to repurchase underwater or out-of-the-money Options or SARs which shall be deemed to be those Options or SARs with Option Prices or Initial Values in excess of the then current Fair Market Value of the shares of Common Stock underlying the Options or SARs, (d) the issuance of any replacement or substitute Options or SARs or the payment of cash or other Awards in exchange for, or in substitution of, underwater or out-of-the-money Options or SARs, (e) the Company to repurchase any Options or SARs if the Options or SARs have not become exercisable, vested or payable prior to the repurchase or (f) any other action that is treated as a repricing under generally accepted accounting principles or applicable NASDAQ listing rules.”

6.

Section 8.2 of the Plan is hereby amended by adding the following to the end of the fifth sentence of Section 8.2 of the Plan:

; notwithstanding the foregoing, however, up to five percent (5%) of the available Shares authorized for issuance under the Plan pursuant to Section 4.1 may provide for grants of Restricted Stock and Restricted Stock Units, wholly or partially, with a Restriction Period of less than three years (including graded vesting) and performance-based Restricted Stock and Restricted Stock Units, wholly or partially, with a restriction period of less than one year.”

7.

The amendments to the Plan set forth in sections 1, 2, 3, 4 and 6 of this Amendment are subject to approval of such amendments by the shareholders of the Company at a meeting duly called for such purpose within 12 months after the date set forth above. The increase in the number of Shares available for issuance may not be issued pursuant to Awards unless and until such amendments are approved by the shareholders within such time period. The other provisions of this Amendment shall become fully effective upon their adoption by the Board of Directors of the Company. Except as hereby modified, the Plan shall remain in full force and effect.

[Signature on Following Page]

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IN WITNESS WHEREOF, the Company has executed this Amendment No. 4 as of the date first written above.

UNITED COMMUNITY BANKS, INC.

By: _____

Name: _____

Title: _____

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