SEACOAST BANKING CORP OF FLORIDA
Form DEF 14A
April 07, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement	¨ Confidential, for use of the Commission Only (as permitted by Rule 14(a)-6(e)(2))
x Definitive Proxy Statement	
¨ Definitive Additional Materials	
¨ Soliciting Material Pursuant to Section 240.14a-12	

SEACOAST BANKING CORPORATION OF FLORIDA

(Name of Registrant as Specified in its Charter)

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

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2) Form, Schedule, or Registration Statement No.:
3) Filing Party:
4) Date Filed:

April 9, 2015

TO THE SHAREHOLDERS OF
SEACOAST BANKING CORPORATION OF FLORIDA:

You are cordially invited to attend the 2015 Annual Meeting of Shareholders of Seacoast Banking Corporation of Florida, which will be held at the Schreiber Conference Center's Core Auditorium, 500 NW California Boulevard, Port St. Lucie, Florida, on Tuesday, May 26, 2015, at 3:00 P.M., Local Time.

Details regarding the business to be conducted at the meeting are described in the Notice of Internet Availability of Proxy Materials ("Notice") you received in the mail and in this proxy statement. We have also made available a copy of our Annual Report on Form 10-K for the year ended December 31, 2014 ("Annual Report") which we encourage you to read. The Annual Report includes our audited financial statements and provides information about our business.

We have elected to provide access to our proxy materials over the internet under the Securities and Exchange Commission's "Notice and Access" rules. This means most of our shareholders will receive only a notice containing instructions on how to access the proxy materials over the Internet and vote online. We are continually focused on improving the way we connect with our shareholders, and believe that providing our proxy materials over the Internet increases the ability of our shareholders to obtain the information they need, while reducing the environmental impact of our annual meeting and reducing our printing and mailing expenses. You may also request to receive a printed or emailed set of proxy materials. If you want more information, please see the "Questions and Answers" section of this proxy statement.

Your vote is important. Whether or not you plan to attend the meeting, we hope you will vote as soon as possible. You may vote over the internet, as well as by telephone. You also may vote your shares by requesting a paper proxy card and completing, signing and returning it by mail. Please review the instructions on each of your voting options described in this proxy statement, as well as in the Notice you received in the mail. By voting prior to the meeting, you will help us ensure that we have a quorum and that your preferences will be expressed on the matters that are being considered. If you are able to attend the meeting, you may vote your shares in person, even if you have previously voted by another means by revoking your proxy vote at any time prior to its exercise.

Thank you for your ongoing support. We look forward to your participation in our annual meeting.

Sincerely,

Dennis S. Hudson, III
Chairman & Chief Executive Officer

815 Colorado Avenue
Stuart, Florida 34994

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 26, 2015

Notice is hereby given that the 2015 Annual Meeting of Shareholders of Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) will be held at the Schreiber Conference Center’s Core Auditorium, 500 NW California Boulevard, Port St. Lucie, Florida, on Tuesday, May 26, 2015, at 3:00 P.M., Local Time (collectively, with any adjournments or postponements, the “Annual Meeting”), for the following purposes:

1. *Election of Directors.* To re-elect three Class I directors and elect one new Class I director (“Proposal 1”);

2. *Ratification of Appointment of Independent Auditor.* To ratify the appointment of Crowe Horwath LLP as independent auditors for Seacoast for the fiscal year ending December 31, 2015 (“Proposal 2”);

3. *Amend the Company’s 2013 Incentive Plan to Increase Authorized Shares.* To approve the proposed amendment of the 2013 Incentive Plan to increase the number of shares authorized to be issued under the Plan (“Proposal 3”);

4. *Advisory (Non-binding) Vote on Compensation of Named Executive Officers.* To allow shareholders to endorse or not endorse the compensation of the Company’s named executive officers as disclosed in this Proxy Statement (“Proposal 4”);

5. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

The Proxy Statement explains these proposals in greater detail. We urge you to read these materials carefully.

Only shareholders of record and beneficial owners of the Company's Common Stock as of the close of business on March 26, 2015 are entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. All shareholders, whether or not they expect to attend the Annual Meeting in person, are requested to vote by internet or telephone, or by requesting a paper proxy card and completing, signing and returning it by mail.

By Order of the Board of Directors

Dennis S. Hudson, III
Chairman & Chief Executive Officer

April 9, 2015

YOUR VOTE IS VERY IMPORTANT.

Whether or not you plan to attend the meeting, please take the time to vote by following the telephone or internet voting procedures described on the notice mailed to you, or by requesting a paper proxy card and returning it promptly. If you attend the meeting, you may vote in person if you wish, even if you have previously voted, by revoking your proxy vote at any time prior to its exercise.

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PROXY STATEMENT

FOR

2015 ANNUAL MEETING OF SHAREHOLDERS

OF SEACOAST BANKING CORPORATION OF FLORIDA

MAY 26, 2015

The Board of Directors of Seacoast Banking Corporation of Florida, a Florida corporation ("Seacoast" or the "Company") is soliciting proxies to be voted at the Annual Meeting of Shareholders to be held on Tuesday, May 26, 2015, at 3:00 P.M. Local Time (collectively, with any adjournments or postponements, the "Annual Meeting") at the Schreiber Conference Center's Core Auditorium, 500 NW California Boulevard, Port St. Lucie, Florida for the purposes set forth in the attached Notice of Meeting. On or about April 9, 2015, the notice of meeting, this proxy statement, Seacoast's Annual Report on Form 10-K for the period year ended December 31, 2014 ("Annual Report"), which includes our financial statements for the fiscal year ended December 31, 2014, and a proxy card or voting instruction card (collectively, the "proxy materials") are first being made available for review online and paper copies sent to each shareholder who has requested such materials.

QUESTIONS AND ANSWERS ABOUT THE PROXY SOLICITATION MATERIALS

AND THE PROXY SOLICITATION

Proxy Materials

Q: Why am I receiving these proxy materials?

A: Our Board of Directors has made these materials available to you on the internet or, at your request, has delivered printed proxy materials to you, because on March 26, 2015, the record date set for the Annual Meeting (the "Record Date"), you owned shares of Seacoast's common stock, $0.10 par value ("Common Stock"). Only holders of record of our Common Stock at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting. Each holder of Common Stock is entitled to one vote for each share of Common Stock owned as of the Record Date. As of the Record Date, there were 33,135,526 shares of Common Stock issued and outstanding.

As a shareholder, you are invited to attend the Annual Meeting and are requested to vote on the proposals summarized below under "What matters will be voted on at the Annual Meeting" and described in greater detail elsewhere in this proxy statement. Seacoast's Board of Directors knows of no other business that will be presented for consideration at the Annual Meeting other than the matters described in this proxy statement.

Q: What is included in the proxy materials?

A: The proxy materials include:

- The notice of meeting and our proxy statement for the 2015 Annual Meeting;
- Our Annual Report, which includes our financial statements for the fiscal year ended December 31, 2014; and
- A proxy card or a voting instruction card for the Annual Meeting.

Q: What information is contained in this proxy statement?

A: This proxy statement describes the matters that will be presented for consideration by shareholders at the Annual Meeting, the voting process, the compensation of our directors and certain of our executive officers, corporate governance, and certain other required information. It also gives you background information concerning the proposals to assist you in making an informed decision. Please read it carefully.

Q: Why did I receive a "Notice of the Internet Availability of Proxy Materials", but no proxy materials?

A: We have furnished our proxy materials to certain shareholders via the internet under the "Notice and Access" method permitted by the Securities and Exchange Commission (the "SEC"). Therefore, unless you request hard copies, you will not receive printed copies of the proxy materials. Instead, the Notice of Internet Availability of Proxy Materials (the "Notice"), which was mailed to most of our shareholders on or about April 9, 2015, instructs you as to how to access and review all of the proxy materials on the internet. The Notice also contains instructions on how to submit your proxy on the internet or by phone, or, if you prefer, to obtain a paper or email copy of the proxy materials.

This process provides a convenient and timely method for shareholders to obtain the proxy materials and vote, reduces the printing and mailing expenses paid by the Company, and reduces the environmental impact of producing the proxy materials.

Q: How can I access the proxy materials over the internet?

The Notice, proxy card or voting instruction card will contain instructions on how to:

- View our proxy materials for the Annual Meeting on the internet and vote your shares; and
- Instruct us to send our future proxy materials to you electronically by email.

Our proxy materials are also available on our Investor Relations website at:

https://www.snl.com/IRWebLinkX/GenPage.aspx?IID=100425&GKP=304186

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you, and will conserve natural resources. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Q: Will the Company use the Notice and Access method to furnish proxy materials to its shareholders in the future?

A: The Company may choose to continue to use the Notice and Access method to furnish proxy materials to its shareholders in the future. By reducing the amount of materials that the Company is required to print and mail, this method provides an opportunity for cost savings as well as conservation of natural resources. The Company will evaluate the cost savings, as well as the possible impact on shareholder participation, as it considers how to furnish proxy materials to our shareholders in the future.

Q: What if I prefer to receive paper or email copies of the proxy materials?

A: If you prefer to receive paper or email copies of the proxy materials, you can still do so. You may request a paper copy of the materials by (i) calling 1-800-579-1639; (ii) sending an e-mail to sendmaterial@proxyvote.com; or (iii) logging onto *www.ProxyVote.com*. There is no charge to receive the materials by mail or email. If requesting material by e-mail, please send a blank e-mail with the 12 digit control number (located on the Notice) in the subject line.

The Company must provide paper copies via first class mail to any shareholder who, after receiving the Notice, nevertheless requests paper copies. Even if you do not request paper copies now, you will still have the right to request delivery of a free set of proxy materials upon receipt of any notice in the future. Because first class postage is significantly more expensive than bulk mail rates and because each such request must be processed on an individual basis, the cost of responding to a single request for paper copies is likely to be significantly greater than the per shareholder cost the Company previously incurred in delivering proxy materials in bulk. Therefore, requests for paper copies could undermine or eliminate expected cost savings associated with our decision to use the Notice and Access method of furnishing proxy materials.

By developing a database of shareholders who would prefer to continue receiving paper copies of proxy materials, the Company will be able to use the full set delivery option for these shareholders, while using the Notice and Access option for other shareholders. We believe this will significantly reduce the number of requests for paper copies that the Company will need to process on an individual basis going forward and will position the Company to better capture cost savings should we continue to use the Notice and Access method in the future. We appreciate your assistance in helping us develop this database.

Voting Information

Q: What matters will be voted on at the Annual Meeting?

A: You are being asked to vote on four proposals summarized as follows:

Proposal 1. To re-elect three Class I directors and elect one new Class I director;

Proposal 2. To ratify the appointment of Crowe Horwath LLP as independent auditors for Seacoast for the fiscal year ending December 31, 2015;

Proposal 3. To approve the proposed amendment of the 2013 Incentive Plan to increase the number of shares authorized to be issued under the Plan; and

Proposal 4. To allow shareholders to endorse or not endorse, on a non-binding basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement.

These matters are more fully described in this proxy statement.

Q: How do I vote (shareholder of record)?

A: You are a shareholder of record if your shares of Common Stock are held in your name at the close of business on the Record Date. If you are a beneficial owner of Common Stock held by a broker, bank or other nominee (which is commonly referred to as "street name"), please see the instructions in the following question.

Instructions for voting are found on the Notice and proxy card. After reviewing these instructions, please submit your proxy via telephone or through the Internet, or by completing and returning a written proxy card. By submitting your proxy, you authorize the individuals named in it to represent you and vote your shares at the Annual Meeting in accordance with your instructions. Your vote is important, and your shares can only be voted if you are present in person or represented by proxy at the Annual Meeting. **To ensure your representation at the Annual Meeting, we recommend you vote by proxy even if you plan to attend the Annual Meeting. Please vote promptly using one of the proxy delivery or voting methods indicated on the Notice or proxy card.** You can vote in person at the Annual Meeting even if you previously provided a proxy by revoking the proxy vote at any time prior to its exercise.

If you vote by proxy, but do not provide voting instructions, your shares represented by the proxy will be voted as recommended by our Board of Directors as indicated below under "What is the recommendation of the Board of Directors with regard to each proposal?" If any other matters are properly presented at the Annual Meeting for action, the persons named and acting as proxy will have the discretion to vote for you on these matters in accordance with their best judgment. We do not currently expect that any other matters will be properly presented for action at the Annual Meeting.

Q: What if my shares are held in street name?

A: If you are a beneficial owner and a broker, bank or other nominee is the record holder (which is commonly referred to as "street name"), then you received the Notice or proxy materials from the record holder. You have the right to direct your broker or nominee how to vote your shares, and such broker or other nominee is required to vote the shares in accordance with your instructions. Your broker or nominee should have given you instructions for you to provide direction on how to vote your shares. It will then be the record holder's responsibility to vote your shares for you in the manner you direct.

Under the rules of various securities exchanges, brokers and other record holders may generally vote on discretionary or routine matters, but cannot vote on non-routine or non-discretionary matters, such as the election of directors, unless they have received voting instructions from the person for whom they are holding shares. Proposals 1, 3 and 4 are considered non-routine matters, and cannot be voted on by your broker without your instructions. We therefore encourage you to provide directions to your broker as to how you want your shares voted on all matters to be brought before the Annual Meeting. You should do this by carefully following the instructions your broker gives you.

If your shares are held in street name, you are invited to attend the Annual Meeting; however, you may not vote your shares of Common Stock held in street name in person at the Annual Meeting unless you request and obtain a power of attorney or other authority from your broker or other nominee who holds your shares and bring it to the Annual Meeting. Even if you plan to attend the Annual Meeting, we ask that you vote in advance of the Annual Meeting in case your plans change.

Q: How will my shares of stock held in Seacoast's Retirement Savings Plan or Employee Stock Purchase Plan be voted?

A: If you are a participant in Seacoast's Retirement Savings Plan or Employee Stock Purchase Plan, your voting instructions must be received by May 19, 2015 (the "cut-off date") to be counted. When your voting instructions are received by the cut-off date, your shares in these plans will be voted as directed by you. For the shares in your account in Seacoast's Retirement Savings Plan, if you do not submit your voting instructions by following the instructions on the Notice or proxy card, then the trustee of the Retirement Savings Plan will vote, or not vote, in its sole discretion, the shares of Common Stock in your account. For shares held in your account in the Employee Stock Purchase Plan, your shares will not be voted if you do not give voting instructions as to such shares by proxy.

Q: How will my shares of Common Stock held in Seacoast's Dividend Reinvestment and Stock Purchase Plan be voted?

A: If you are a participant in Seacoast's Dividend Reinvestment and Stock Purchase Plan, follow the instructions on the Notice or proxy card to provide voting instructions to the Trustee. Shares held in your plan account will be combined and voted at the Annual Meeting in the same manner in which you voted those shares registered in your own name either by proxy or in person.

Q: What does it mean if I receive more than one proxy card or Notice?

A: It means that you have multiple holdings reflected in our stock transfer records and/or in accounts with brokers or other nominees. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children. Please follow the instructions on each Notice or proxy card to ensure that all of your shares are voted.

Q: What if I change my mind after I have voted?

A: If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close at the Annual Meeting. You may do this by:

· timely submitting another proxy via the telephone or internet;

· delivering to Seacoast a written notice bearing a date later than the date of the proxy card, stating that you revoke the proxy, with such written notice to be sent to: 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995, Attention: Corporate Secretary;

· signing and delivering to Seacoast a proxy card relating to the same shares and bearing a later date; or

· attending the Annual Meeting and voting in person by written ballot, although attendance at the Annual Meeting will not, by itself, revoke a proxy.

Also, please note that if you have voted through your broker, bank or other nominee and you wish to change your vote, you must follow the instructions received from such entity to change your vote.

Q: How many shares must be present to hold the Annual Meeting?

A: To hold a vote on any proposal, a quorum must be present in person or by proxy at the Annual Meeting. A quorum is a majority of the total votes entitled to be cast by the holders of the outstanding shares of Common Stock as of the close of business on the Record Date.

Shares are counted as present at the Annual Meeting if the shareholder either:

- is present and votes in person at the Annual Meeting;
- has voted by proxy via the telephone or Internet; or
- has properly submitted a signed proxy card or other form of written proxy.

In determining whether a quorum exists at the Annual Meeting for purposes of all matters to be voted on, all votes “for” or “against,” as well as all abstentions and broker non-votes, will be counted. A “broker non-vote” occurs when a nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

On the Record Date, there were 33,135,526 shares of Common Stock issued, outstanding and entitled to be voted, which were held by approximately 1,995 holders of record. Therefore, at least 16,567,764 shares need to be present at the Annual Meeting or represented by proxy in order for a quorum to exist.

Directors and executive officers of the Company beneficially hold approximately 9,331,680 shares of Common Stock, or 27.8 percent of all the votes entitled to be cast at the Annual Meeting.

Q: What if a quorum is not present at the Annual Meeting?

A: If a quorum is not present at the scheduled time of the Annual Meeting, a majority of the shareholders present or represented by proxy may adjourn the Annual Meeting until a quorum is present. The time and place of the adjourned Annual Meeting will be announced at the time of the adjournment, if any, and no other notice will be given. An adjournment will have no effect on the business that may be conducted at the Annual Meeting. If the Annual Meeting is adjourned more than 120 days after the date fixed for the original Annual Meeting, the Board of Directors must fix a new record date to determine the shareholders entitled to vote at the adjourned Annual Meeting.

Q: What is the recommendation of the Board of Directors with regard to each proposal?

A: The Board of Directors of Seacoast believes the proposals described herein are in the best interests of the Company and its shareholders and, accordingly, unanimously recommends that shareholders vote as follows:

Proposal		**Management Recommendation**
1	Election of Directors	FOR ALL
2	Ratification of Auditor	FOR
3	Amend 2013 Incentive Plan	FOR
4	Advisory Vote on Executive Compensation	FOR

Q: What options do I have in voting on each proposal?

A: Except with respect to Proposal 1 for the election of directors, you may vote “for,” “against,” or “abstain” on each proposal properly brought before the Annual Meeting. In the election of directors, you may vote “for” or “withhold authority” to vote for each nominee.

Q: What are the voting requirements with regard to each proposal?

A: Under our Bylaws, all elections of directors are decided by plurality vote. However, notwithstanding the plurality standard, in an uncontested election for directors, which is the case for the election under Proposal 1, our Corporate Governance Guidelines provide that if any director nominee receives a greater number of votes “withheld” from his or her election than votes “for” such election, then the director will promptly tender his or her resignation to the Board following certification of the shareholder vote, with such resignation to be effective upon acceptance by the Board of Directors. The Compensation and Governance Committee would then review and make a recommendation to the Board of Directors as to whether the Board should accept the resignation, and the Board would ultimately decide whether to accept the resignation. The Company will disclose its decision-making process regarding the resignation in a Form 8-K furnished to the SEC. In contested elections, the required vote would be a plurality of votes cast and the resignation policy would not apply. Full details of this policy are set forth in our Corporate Governance Guidelines, available on our website at www.seacoastbanking.com.

Proposals 2, 3 and 4 require approval by the affirmative vote of a majority of votes cast at the Annual Meeting.

Our Board of Directors unanimously recommends that you vote “FOR” Proposals 1, 2, 3 and 4.

Unless otherwise required by the Company’s Amended and Restated Articles of Incorporation, as amended (“Articles of Incorporation”), our Bylaws, the Florida Business Corporation Act, or by applicable law, any other proposal that is properly brought before the Annual Meeting will require approval by the affirmative vote of a majority of all votes cast at the Annual Meeting.

Please remember that Proposals 1, 3 and 4 are each considered non-routine matters. As a result, if your shares are held by a broker or other fiduciary, your shares cannot be voted on these matters unless you have provided voting instructions to your broker or other nominee.

Abstentions and broker non-votes, if any, will not be counted for purposes of determining whether any of the proposals have received sufficient votes for approval, but will count for purposes of determining whether or not a quorum is present. So long as a quorum is present, abstentions and broker non-votes will have no effect on any of the matters presented for a vote at the Annual Meeting.

Q: What is "householding" and how does it affect me?

A: The SEC permits delivery of one copy of the proxy materials to shareholders who have the same address and last name under a procedure referred to as "householding". We do not utilize householding for our shareholders of record. However, if you hold your shares through a broker, bank or other nominee, you may receive only one copy of the Notice and, as applicable, any additional proxy materials that are delivered.

If you receive a single set of proxy materials as a result of householding, and you would like to have separate copies of proxy materials mailed to you in the future, please contact your broker, bank or other nominee. However, if you want to receive a paper proxy or Notice or other proxy materials for purposes of this year's Annual Meeting, follow the instructions included in the Notice that was sent to you, or as indicated above under "What if I prefer to receive paper or email copies of the proxy materials?"

Q: Who will pay the expenses of proxy solicitation?

A: The Company will bear the cost of preparing, printing and mailing the proxy materials and soliciting proxies for the Annual Meeting. In addition to the solicitation of shareholders of record by mail, telephone, electronic mail, facsimile or personal contact, Seacoast will be contacting brokers, dealers, banks, and/or voting trustees or their nominees who can be identified as record holders of Common Stock; such holders, after inquiry by Seacoast, will provide information concerning quantities of proxy materials needed to supply such information to beneficial owners, and Seacoast will reimburse them for the reasonable expense of mailing proxy materials. Seacoast may retain other unaffiliated third parties to solicit proxies and pay the reasonable expenses and charges of such third parties for their services.

Q: Where do I find the voting results of the Annual Meeting?

A: If available, we will announce voting results at the Annual Meeting. The voting results will also be disclosed on a Form 8-K that we will file with the SEC within four business days after the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 26, 2015.

The Notice of Annual Meeting, the 2015 Proxy Statement and the Annual Report on Form 10-K for the year ended December 31, 2014 are available at:

www.proxyvote.com

PROPOSAL 1

ELECTION OF DIRECTORS

General

As of the date of this proxy statement, Seacoast's Board of Directors consists of fourteen members divided into three classes, serving staggered three year terms as provided in our Articles of Incorporation.

The Annual Meeting is being held to, among other things, re-elect three Class I directors of Seacoast and elect one new Class I director, each of whom has been nominated by the Compensation and Governance Committee of the Board of Directors. All of the nominees, except Jacqueline L. Bradley, are presently directors of Seacoast and also serve as members of the Board of Directors of Seacoast's principal banking subsidiary, Seacoast National Bank (the "Bank"). The members of the Boards of Directors of the Bank and the Company are the same except for Jacqueline L. Bradley, who is currently a director of the Bank only. If elected, each Class I director nominee will serve a three year term expiring at the 2018 Annual Meeting and until their successors have been elected and qualified.

On February 26, 2015, the Board of Directors, following the recommendation of our Compensation and Governance Committee, nominated Jacqueline L. Bradley to stand for election at the Annual Meeting, replacing Dale M. Hudson who intends to retire from the Company's Board concurrent with Ms. Bradley's appointment. Dale M. Hudson will remain on the board of directors of the Bank. Ms. Bradley has been a director of the Bank since October 2014. Ms. Bradley's appointment to the Board of Directors is pursuant to the Agreement and Plan of Merger, dated April 24, 2014, between Seacoast, the Bank, The BANKshares, Inc., a Florida corporation ("BANKshares") and The BankFIRST, a Florida bank and a wholly-owned subsidiary of BANKshares ("BankFIRST") under which BANKshares merged with and into Seacoast (the "Merger Agreement"). Pursuant to the Merger Agreement, Seacoast was required to appoint one former BANKshares' director to our Board of Directors.

Currently, the Board of Directors is classified as follows:

Class	**Term**	**Names of Directors**
Class I	Term Expires at the 2015 Annual Meeting	H. Gilbert Culbreth, Jr.
		Christopher E. Fogal
		Robert B. Goldstein

		Dale M. Hudson (who will be replaced by Jacqueline L. Bradley, if approved at the Annual Meeting)
Class II	Term Expires at the 2016 Annual Meeting	Dennis J. Arczynski Maryann Goebel Roger O. Goldman Dennis S. Hudson, Jr. Thomas E. Rossin
Class III	Term Expires at the 2017 Annual Meeting	Stephen E. Bohner T. Michael Crook Julie H. Daum Dennis S. Hudson, III Edwin E. Walpole, III

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Manner for Voting Proxies

All shares represented by valid proxies, and not revoked before they are exercised, will be voted in the manner specified therein. If a valid proxy is submitted but no vote is specified, the proxy will be voted **FOR** the election of each of the four nominees for election as directors. Please note that banks and brokers that do not receive voting instructions from their clients are not able to vote their client's shares in the election of directors. Although all nominees are expected to serve if elected, if any nominee is unable to serve, then the persons designated as proxies will vote for the remaining nominees and for such replacements, if any, as may be nominated by Seacoast's Compensation and Governance Committee. Proxies cannot be voted for a greater number of persons than the number of nominees specified herein (four persons). Cumulative voting is not permitted.

The affirmative vote of the holders of shares of Common Stock representing a plurality of the votes cast at the Annual Meeting at which a quorum is present is required for the election of the directors listed below. However, to provide shareholders with a meaningful role in uncontested director elections, which is the case for the election of the director nominees listed below, our Corporate Governance Guidelines provide that if any director nominee receives a greater number of votes "withheld" for his or her election than votes "for" such election, then the director will promptly tender his or her resignation to the Board following certification of the shareholder vote, with such resignation to be effective upon acceptance by the Board of Directors. The Compensation and Governance Committee would then review and make a recommendation to the Board of Directors as to whether the Board should accept the resignation, and the Board would ultimately decide whether to accept the resignation. The Company will disclose its decision-making process regarding the resignation in a Form 8-K furnished to the SEC. In contested elections, the required vote would be a plurality of votes cast and the resignation policy would not apply. Further details of this policy and the corresponding procedures are set forth in our Corporate Governance Guidelines, available on our website at www.seacoastbanking.com.

The four nominees have been nominated by Seacoast's Compensation and Governance Committee, and the Board of Directors unanimously recommends a vote "FOR" the election of all four nominees listed below.

Nominees to be Elected at the Annual Meeting

Jacqueline L. Bradley, age 57, was elected as a director of the Bank in October 2014.

Ms. Bradley served as a director of BankFIRST from April 2005 until BANKshares was acquired by Seacoast on October 1, 2014. During her tenure at BankFIRST, she served on BankFIRST's Special Assets Committee and Audit Committee. Ms. Bradley has served on the Orange County Tourist Development Council since 2010. Ms. Bradley served on the finance committee for the Central Florida Expressway Authority from 2012 to 2013 and on the board of directors of the Greater Orlando Aviation Authority from 2000 to 2009. She is also a member of the board of directors of the Boys & Girls Club of Central Florida (since 1998), serving as chairperson in 2002 and 2003, and a member of the boards of the Studio Museum in Harlem (since 2006) and The Lawrenceville School in Lawrenceville, New Jersey (since 2008).

Ms. Bradley provides support to charities throughout the Central Florida community, and has served on the boards of the Florida Arts Council (2003-2008) and the Cornell Museum of Fine Arts. Ms. Bradley has had a 20-year career in financial services, including seven years with SunTrust Bank in Central Florida, culminating in her last position as senior vice president leading its Private Client Group (1999-2002). Her previous experience also includes eight years as vice president with Moody’s Investors Services and 3 years providing consulting services for McKinsey Management Consultants and Touché Ross. Ms. Bradley received her Bachelor of Arts degree in Economics and Political Science from Yale College, and her Master’s degree in Business Administration from Columbia University Graduate School of Business with a concentration in Finance and Marketing.

Ms. Bradley’s appointment to the Board of Directors is pursuant to the Merger Agreement under which BANKshares merged with and into Seacoast. Pursuant to the Merger Agreement, Seacoast was required to appoint one former BANKshares’ director to our Board of Directors.

In making the determination that Ms. Bradley should be a nominee for director of Seacoast, the Compensation and Governance Committee considered these qualifications and her qualification as an independent director, as well as:

- her diversity of management experience in the financial services industry;
- her knowledge of, and stature and philanthropic service to, the Central Florida market, which is valuable in understanding the customer segments in this market; and
- her ability to provide guidance to the Board of Directors regarding accounting and financial matters.

H. Gilbert Culbreth, Jr., age 69, is co-chairman of the Company’s Compensation and Governance Committee and has been a director of Seacoast since 2008.

Mr. Culbreth has been chief executive officer and owner of Gilbert Chevrolet Company, Inc., a car dealership located in Okeechobee, Florida, for over 40 years. He also owns and manages Gilbert Ford, another car dealership in Okeechobee, Florida. Mr. Culbreth was previously a member of Big Lake Financial Corporation’s (“Big Lake”) board of directors for 10 years prior to the acquisition of Big Lake by Seacoast in April 2006, and has served on the Bank’s board of directors since the acquisition. In addition, Mr. Culbreth is president of several other family businesses, including: Culbreth Realty, Inc. (a real estate brokerage company), Parrott Investments, Inc. (a holding company for two other businesses), Gilbert Cattle Co., LLC (a cattle operation), Gilbert Marine (a watercraft sales company) and Gilbert Aviation Inc. (an aircraft sales and service company).

Mr. Culbreth is a former director of the Florida Council on Economic Education, the Okeechobee County Board of Realtors, the Okeechobee Economic Council, and the United Way of Okeechobee and is a member of the Masonic Lodge.

In making the determination that Mr. Culbreth should be a nominee for director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his diversity of business experience for more than 40 years in the Okeechobee, Florida market, which is valuable in understanding the customer segments in this market;
- his entrepreneurial and management skills;
- his stature in and knowledge of the local community; and
- his experience with the Company.

Christopher E. Fogal, age 63, is chairman of the Company’s Audit Committee, chairman of the Bank’s Trust Committee and has been a director of Seacoast since 1997.

Mr. Fogal is a certified public accountant and principal with the public accounting firm of Proctor, Crook, Crowder & Fogal, P.A., a BDO affiliate firm, located in Stuart, Florida. He was the managing partner of Fogal & Associates from 1979 until the firm merged with Proctor Crook in 2009. Mr. Fogal served on the board of directors of Port St. Lucie National Bank until it was acquired by Seacoast in 1996. He has also served as past chairman of the Treasure Coast Private Industry Council and past president of the St. Lucie County Chamber of Commerce, and is active in a number of professional organizations including the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

In making the determination that Mr. Fogal should be a nominee for director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his accounting expertise as a Certified Public Accountant (“CPA”), which provides the Board of Directors with guidance related to internal controls and financial and accounting matters;
- his business, management and decision-making skills, including his experience as managing partner of an accounting firm for 30+ years;
- his stature and knowledge of the local community; and
- his experience with the Company.

Robert B. Goldstein, age 74, is co-chairman of the Company’s Compensation and Governance Committee, is a member of the Enterprise Risk Management Committee and has been a director of Seacoast since 2010.

Mr. Goldstein is a founding principal of CapGen Capital Advisors LLC (“CapGen LLC”), New York, New York, an investment program fund formed in 2007 that invests in banks and financial institutions. He is also a member of CapGen LLC’s investment committee. As of March 26, 2015, an affiliate of CapGen LLC was the beneficial owner of 7,961,229 shares of the Company’s common stock, representing 24.0 percent of outstanding shares.

Mr. Goldstein is also currently (1) a director of FNB Corporation (since 2003), a member of its executive committee and chairman of their compensation committee; (2) a director of Hampton Roads Bankshares (since 2010) and a member of its compensation, governance/nominating, and risk oversight committees; (3) lead director of Palmetto Bancshares, Inc. and a member of the board of its banking subsidiary, Palmetto Bank (since 2010) and member of its credit, compensation and governance/nominating committees; and (4) a director of The Jacksonville Bancorp (since October 2014), a director of its subsidiary, The Jacksonville Bank, and a member of The Jacksonville Bancorp’s compensation, governance and executive committees. Mr. Goldstein also served as chairman of the board of directors of BANKshares and as a director of BankFIRST, from 2007 until BANKshares was acquired by Seacoast on October 1, 2014. Mr. Goldstein’s other senior executive and director experience includes service as director and chairman of the executive committee of Great Lakes Bancorp from 2005 to 2006; chairman of the board and chief executive officer of Bay View Capital Corporation, a $6 billion bank holding company, from 2001 to 2006; director of Cobalt Holdings, LLC (an accredited credit rating agency and asset management company) from 2003 to 2010; and numerous other executive and/or director positions with financial institutions over a career that has spanned more than 50 years. Mr. Goldstein is nationally recognized for his expert investing and operational experience in turning around and implementing growth strategies for banks under challenging circumstances.

Mr. Goldstein’s appointment to the Board of Directors is pursuant to the Stock Purchase Agreement, dated October 23, 2009, between Seacoast and CapGen Capital Group III LP (“CapGen LP”), an affiliate of CapGen LLC (the “Stock Purchase Agreement”). CapGen LP purchased 6,000,000 shares of our Common Stock on December 17, 2009 for $13.5 million pursuant to the Stock Purchase Agreement. Under the Stock Purchase Agreement, CapGen LP is entitled to appoint one director to our Board of Directors as long as CapGen LP or an affiliate retains ownership of the shares purchased under the agreement.

Although Mr. Goldstein's directorships on outside boards exceed the number specified in the Company's Corporate Governance Guidelines, the Compensation and Governance Committee currently believes that the number of directorships is acceptable since Mr. Goldstein's full-time job is to represent and provide expertise to boards of the banks in which CapGen LLC and its affiliates invest, and his directorships on these boards were approved by the Federal Reserve.

In making the determination that Mr. Goldstein should be a nominee for director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his significant experience in the financial services industry;
- his leadership and service on other public company boards, which provides insight regarding general public company operations, policies, internal controls and corporate governance, which is useful and applicable to Seacoast; and
- his knowledge and perspective on the interests of the institutional investor community.

Directors Whose Terms Extend Beyond the Annual Meeting

Dennis J. Arczynski, age 63, is the chairman of the Enterprise Risk Management Committee, is a member of the Audit Committee, and has been a director of the Company since 2013 and a director of the Bank since 2007.

Mr. Arczynski has been a risk management, corporate governance, regulatory affairs and banking consultant since 2007. He previously served for 33 years in various managerial and examiner positions in the U. S. Office of the Comptroller of the Currency's (the "OCC") headquarters in Washington, D.C. and in several other OCC districts until 2007. As a National Bank Examiner with the OCC, Mr. Arczynski was responsible for the supervision and examination of the largest and most complex mid-size banks, community banks and trust companies; provided guidance to banks in all facets of commercial banking and fiduciary operations including international activities; performed risk assessment and conducted BSA/AML reviews and examinations of internationally active banks; and developed formal enforcement actions and corrective action plans for struggling and deficient institutions.

Mr. Arczynski's other positions of responsibility with the OCC included Assistant Director for Trust Operations, Special Assistant to the Senior Deputy Comptroller (FFIEC Liaison), Associate Director for Financial Management (Financial Systems and Review) and Field Office Manager (Miami Field Office). His duties included the formation of national policies and programs, development of OCC supervisory initiatives, establishment of interagency relations, drafting regulations and writing OCC examiner handbooks.

In making the determination that Mr. Arczynski should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his knowledge of the most effective management practices of the largest and most complex mid-size banks;
- his expertise in all facets of commercial banking and fiduciary operations, including risk assessment and BSA/AML;

- his risk management, corporate governance, and regulatory background specific to the financial services industry; and
- his public service which provides the Board of Directors with an alternative perspective in the areas of government relations and regulatory matters that impact the Company.

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Stephen E. Bohner, age 61, is a member of the Compensation and Governance Committee, chairman of the Bank's Directors Credit Risk Committee and has been a director of Seacoast since 2003.

Mr. Bohner has been president and owner of Premier Realty Group, a real estate company located in Sewalls Point, Florida, specializing in the sale of luxury homes, since 1987. In addition to his 37 years of experience in real estate, Mr. Bohner is actively involved in several professional and community organizations, having served as president of the Greater Martin County Association of Realtors and The Pine School. He was awarded the Realtor Association's Distinguished Service Award in 2001, and has served on numerous professional standards' panels in arbitration hearings and chaired the Realtors Association's grievance committee. Mr. Bohner is a graduate of Vanderbilt University with dual degrees in Business and Economics.

In making the determination that Mr. Bohner should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his business leadership and expertise in real estate, which provides the Board of Directors with valuable insight related to local real estate markets in which the Bank's customers are located and helps the Board make critical judgments regarding the Bank's lending activities since such judgments rely upon the proper valuation of real estate;
- his business leadership and entrepreneurial and management skills developed over the past 38 years;
- his stature in the local community garnered from his years of professional and community involvement; and
- his experience with the Company.

T. Michael Crook, age 67, is a member of the Company's Audit Committee and the Enterprise Risk Management Committee, and has been a director of Seacoast since 2003.

Mr. Crook has been a principal with the public accounting firm of Proctor, Crook, Crowder & Fogal, P.A., a BDO affiliate firm, located in Stuart, Florida, since 1976 and a Certified Public Accountant ("CPA") since 1975. He was a member of Barnett Bank's Martin County board of directors for 11 years from 1986 to 1997. Mr. Crook is also active in the community, having previously served as director and president of the Economic Council and Stuart Kiwanis Club, former director and chairman of the audit committee of Scripps Florida Funding Corp. and Stuart/Martin County Chamber of Commerce, and past chairman of the Indian River Community College Accounting Advisory Committee.

Mr. Crook's professional affiliations include the American Institute of Certified Public Accountants, the Management Advisory Services Division of the American Institute of Certified Public Accountants, and the local legislative contact for the Florida Institute of Certified Public Accountants.

In making the determination that Mr. Crook should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his business experience and sound business judgment;
- his accounting expertise as a CPA for more than 39 years, and his ability to provide guidance to the Board of Directors regarding accounting and financial matters;

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- his stature in the local community, including through service on the boards of the community organizations discussed above; and
- his experience with the Company.

Julie H. Daum, age 60, is a member of the Compensation and Governance Committee and has been a director of Seacoast since 2013.

Ms. Daum has been a senior director of Spencer Stuart, a privately-held global executive search firm, since 1993. As co-head of the North American Board and CEO Practice at Spencer Stuart, she has helped place over 1,000 directors on corporate boards, including the boards of Coach, Delta Air Lines, American Express, CVS Caremark, General Motors and Amazon. Prior to her work at Spencer Stuart, Ms. Daum was the executive director of the corporate board resource at Catalyst, where she managed all board of directors' activities and worked with companies to identify qualified women for their boards.

A widely renowned expert on corporate governance topics, Ms. Daum was recognized by the National Association of Corporate Directors ("NACD") as one of the top 100 most influential leaders in corporate governance in 2013.

Ms. Daum also advises corporate boards on succession planning for themselves and their CEOs, as well as best practices and governance issues. Each year, Ms. Daum develops the Spencer Stuart Board Index, a publication detailing trends at national boardrooms. She also co-founded and developed a program for board members entitled "Fresh Insights and Best Practices for Directors" at the Wharton School of the University of Pennsylvania, where she earned her MBA.

In making the determination that Ms. Daum should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and her qualification as an independent director, as well as:

- her expertise in recruiting, human resources and corporate governance;
- her associations in the Florida market and insights and perspectives on public, private and not-for-profit boards;
- her stature in the corporate governance community garnered from her years of professional involvement; and
- her ability to serve as a mentor and catalyst to bring more women into senior leadership positions with the Company.

Maryann Goebel, age 64, is a member of the Company's Audit Committee and Enterprise Risk Management Committee, and has been a director of Seacoast since February 2014.

Ms. Goebel has been an independent IT management consultant since mid-2012. In July 2012, she retired from Fiserv, Inc. (NASDAQ: FISV) where she had served as executive vice president and chief information officer since June 2009. In this role, she was responsible for all internal Fiserv IT systems (infrastructure and applications), as well as IT infrastructure, operations, engineering and middleware services for Fiserv clients who chose to outsource the processing of their Fiserv applications.

In her 40+ year career, Ms. Goebel has shaped the strategic direction of information technology for major corporations around the world, serving in the critical role of chief information officer for: DHL Express from 2006 to 2009; General Motors North America from 2003 to 2006; General Motors Europe from 1999 to 2001; General Motors Truck Group from 1997 to 1999; Bell Atlantic NYNEX Mobile (now Verizon Mobile) from 1995 to 1997; and Frito-Lay from 2001 to 2002. She has also held senior IT leadership positions at Texas Instruments, Inc., Aérospatiale Helicopter Corporation, and the Southland Corporation, among others. Ms. Goebel received the "100 Leading Women in the North American Auto Industry" award in 2005. She also received an award for outstanding professional achievement from her alma mater, Worcester Polytechnic Institute, where she earned a Bachelor of Science degree in mathematics.

In making the determination that Ms. Goebel should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and her qualification as an independent director, as well as:

- her knowledge of complex information technology environments and focus on innovation;
- her expertise in strategizing and implementing best-practice processes, tools and structure that are essential to supporting a superior customer experience;
- her extensive experience in aligning IT objectives with corporate priorities; and
- her leadership and ability to help transform Seacoast into an organization that uses technology to deliver state-of-the-art customer services.

Roger O. Goldman, age 70, has been the Board's Lead Director since November 2012 and a director of Seacoast since February 2012.

Mr. Goldman has been a director of American Express Bank FSB, a federally chartered savings bank located in Salt Lake City, Utah ("AEBFSB") since 2005, and is chairman of its audit and risk committee. In January 2015, Mr. Goldman was appointed lead independent director for AEBFSB. He also serves on its compliance committee and executive committee. In addition, Mr. Goldman is President and managing partner of Berkshire Opportunity Fund, which he founded in 2008 to provide financing and mentoring for small businesses in the Northeast. From 2009 to 2010, Mr. Goldman served as temporary volunteer CEO for 1Berkshire to create a powerful economic development engine for the Berkshires by integrating the work of four primary economic development agencies and raising larger and more sustainable funding.

From 1997 to 2000, Mr. Goldman was president and chief executive officer of Global Sourcing Services, LLC, a start-up venture specializing in outsourced marketing services and account acquisition and customer retention programs, which he grew to a substantial size before it was sold.

Mr. Goldman's extensive banking experience also includes management positions at Citicorp from 1969 to 1983; service as president and chief executive officer of Redwood Bank, a community bank in San Francisco, California, from 1983 to 1986; executive vice president and senior operating officer of Coreast Savings Bank from 1989 to 1991; and executive vice president in charge of the community banking group of NatWest Bancorp (with $31 billion in assets) from 1991 to 1996 where he was responsible for managing all consumer and small business activities. In addition, he previously served on the boards of several public and private corporations, including Minyanville (a new media company), Cyota (an Internet security company), and American Express Centurion Bank, where he also served as a member of the audit committee. He is Chairman Emeritus of the Lighthouse International, a charitable foundation for the visually impaired which is headquartered in New York, and is the former Chairman of the Juvenile Diabetes Research Foundation. Mr. Goldman received his Bachelor's degree from New York University in Marketing and his Juris Doctorate from the Washington College of Law at American University. He is an emeritus member of the New Jersey bar and former member of the Washington D.C. bar.

[1] AEBFSB has entered into various consent orders with each of the Office of the Comptroller of the Currency and the Consumer Financial Protection Bureau regarding certain compliance related matters that AEBFSB should resolve. AEBFSB also paid certain civil money penalties, provided remuneration to certain customers and agreed to make certain enhancements to its compliance and vendor oversight programs.

In making the determination that Mr. Goldman should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his diversity of leadership experience in the financial services industry, particularly with respect to his retail banking and consumer and small business lending background;
- his marketing and risk management expertise;
- his legal background and knowledge of corporate governance matters;
- his knowledge of and associations in the Palm Beach County market; and
- his considerable insights and perspectives garnered from years of service on public, private and not-for-profit boards.

Dennis S. Hudson, Jr., age 87, is a member of the Enterprise Risk Management Committee and has been a director of Seacoast since 1983.

Mr. Hudson retired in June 1998 after a 48-year career with the Company and Bank. He served as Chairman of the Board of Seacoast from 1990 to June 1998. Prior thereto, he served as Chief Executive Officer of Seacoast from 1983 until 1992, President of Seacoast from 1983 until 1990 and Chairman of the Bank from 1969 until 1992. Mr. Hudson also served on the board of the Miami Branch of the Federal Reserve Bank of Atlanta from 1983 to 1985. Active in the community and with charitable organizations, he has served as chairman of the American Red Cross of Martin County, president of the Stuart Rotary, and as a director of Hospice of Martin County.

In making the determination that Mr. Hudson should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications, as well as:

- his significant experience in the financial services industry and the organization, including his prior service as Chief Executive Officer of the Company, which provides a unique understanding of our operations;
- his tenure as director that spans a full range of banking and economic cycles affecting the Company; and
- his stature in the local community, including the leadership positions with the community organizations discussed above.

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Dennis S. Hudson, III, age 59, serves as Chairman and has been a director of Seacoast since 1984.

Mr. Hudson was named Chairman of Seacoast in July 2005, and has served as Chief Executive Officer of the Company since June 1998. Mr. Hudson has also served as Chairman and Chief Executive Officer of the Bank since 1992. He served as President of Seacoast from June 1998 to July 2005, after serving in various positions with the Company and the Bank since 1978. Mr. Hudson also serves on the board of directors and the audit committee of Chesapeake Utilities Corporation (ticker: CPK), a public gas and electric utilities company headquartered in Dover, Delaware, which merged with Florida Public Utilities Company ("FPU") in 2009. Prior to that time, he served as a member of the board of directors of FPU. He was also a member of the board of directors of the Miami Branch of the Federal Reserve Bank of Atlanta from 2005 through 2010.

Mr. Hudson is actively involved in the community, having served on the boards of the Martin County YMCA Foundation, Council on Aging, The Pine School, the Job Training Center, American Heart Association, Martin County United Way, the Historical Society of Martin County and as chairman of the board of the Economic Council of Martin County, on which he still serves. He has been recognized for his achievements with several awards including the Florida Senate Medallion of Excellence Award presented by Florida Senator Ken Pruitt in 2001. Mr. Hudson is a graduate of Florida State University with dual degrees in Finance and Accounting, and a Master's degree in Business Administration.

In making the determination that Mr. Hudson should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications, as well as:

- his significant experience in the financial services industry and the organization, including his service as Chairman and Chief Executive Officer of the Company, which provides a unique understanding of our operations;
- his knowledge and relationships with the institutional investor community, including the Company's past and present institutional investors;
- his service on other public company boards, which provides insight regarding general public company operations, policies, internal controls and corporate governance, which is useful and applicable to Seacoast; and
- his stature in the local community, including through service on the boards of the non-profit organizations discussed above.

Thomas E. Rossin, age 81, is a member of the Enterprise Risk Management Committee and has been a director of Seacoast since 2004.

Mr. Rossin has been a practicing attorney in West Palm Beach, Florida, since 1993, currently serving as management chairman with the firm of St. John, Rossin, Podesta & Burr, PLLC. He served as a Florida State Senator from 1994 to 2002, the last two years as minority leader, and was a candidate for Florida Lt. Governor in 2002. He founded Flagler National Bank in 1974, serving as president, chief executive officer and director and growing it to the largest independent bank in Palm Beach County with over $1 billion in assets. Forming The Flagler Bank Corporation, the holding company for Flagler National Bank, in 1983 and serving as president, chief executive officer and director, he took it public in 1984 and facilitated the acquisition of three financial institutions, until both Flagler National Bank and the holding company were sold in 1993 to SunTrust Bank.

Prior thereto, Mr. Rossin was vice chairman and director of First Bancshares of Florida, Inc. after consolidating four banks under one charter, including First National Bank in Riviera Beach at which he served as president and chief executive officer. He has served as past president of the Community Bankers Association of Florida and Palm Beach County Bankers Association, and is a member of the Palm Beach County Bar Association, American Bar Association and the Florida Bar Association. In March 2014, Mr. Rossin received the Exemplary Elected Official Award from the Forum Club of the Palm Beaches.

In making the determination that Mr. Rossin should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his legal background and, in particular, his knowledge of legal issues related to financial institutions and underlying corporate governance matters;
- his public service which, combined with his legal background, provides the Board of Directors with knowledge in the areas of government relations and regulatory matters that impact the Company;
- his significant experience in the financial services industry; and
- his experience with the Company.

Edwin E. Walpole, age 79, is a member of the Company's Compensation and Governance Committee and has been a director of Seacoast since 2006.

Mr. Walpole has been the president, owner and director of Walpole Inc., a trucking transportation company in Okeechobee, Florida which covers the Southeastern United States, since 1960. He served as chairman, president and chief executive officer of Big Lake Financial Corporation ("Big Lake") from 1985 until Big Lake was acquired by Seacoast in April 2006. Mr. Walpole is also the president of Seminole Land Company, Walpole Feed and Supply Company, Trading Post & Farmers Market, and Fort Drum Corporation, and vice president and director of Walpole Leasing Corporation. He is a member and past president of the Okeechobee Economic Council and of the Florida Trucking Association, a member of the American Trucking Association, and formerly served on the board of trustees of Murray State University where he earned a Bachelor of Science degree in Agriculture.

In making the determination that Mr. Walpole should remain a director of Seacoast, the Compensation and Governance Committee considered these qualifications and his qualification as an independent director, as well as:

- his business leadership, entrepreneurial and management skills, developed through his leadership of Big Lake for more than 20 years and as the president and owner of Walpole Inc. for more than 50 years;
- his stature in the local community, including through service in the leadership positions set forth above; and
- his experience with the Company.

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Non-Director Executive Officers

Charles "Chuck" Cross, age 57, has served as Executive Vice President of Commercial Banking for the Bank since July 2013. He is responsible for management of the commercial banking team and commercial business development. From March 2012 to July 2013, he was Seacoast's Commercial Market Executive for Palm Beach County. Mr. Cross has over 30 years of banking experience and a thorough knowledge of the Palm Beach market. Prior to joining Seacoast, he was the market leader for EverBank in Palm Beach County. He also held various positions within Bank of Florida including CEO of Bank of Florida, Palm Beach County, and with J.P. Morgan Trust, Wachovia Bank, NationsBank and Barnett Bank. Mr. Cross received his Bachelor of Science and Bachelor of Arts from University of Florida and had post graduate education from University of Virginia and the University of Wisconsin. Cross is currently a member of the executive committee of the Economic Council of Palm Beach County and has served on the boards of Florida Atlantic University College of Business Dean's Council, Boca Raton Chamber of Commerce, West Palm Beach Chamber of Commerce, Business Development Board of Palm Beach County and Black Business Investment Corporation, among other community and civic organizations.

William R. Hahl, age 66, has served as Executive Vice President and Chief Financial Officer of Seacoast and the Bank since July 1990. Previously, he worked for Ernst and Young for 13 years, before leaving to start his own consulting firm. Mr. Hahl is a graduate of Kent State University, a CPA and member of the American Institute of Certified Public Accountants, Florida Institute of Certified Public Accountants and the Ohio Society of Certified Public Accountants.

David D. Houdeshell, age 54, has served as Executive Vice President and Chief Credit Officer of Seacoast and the Bank since June 2010. Before joining the Company, Mr. Houdeshell served from April 2007 to May 2010 as executive vice president and credit administrative executive for The South Financial Group in Greenville, South Carolina, a commercial bank holding company. In this role, he had oversight and direction of credit administration, policy and procedure development, credit monitoring, loan review, credit processes and technology initiatives. From October 2005 to March 2007, Mr. Houdeshell was senior vice president and director of credit portfolio risk management at The South Financial Group. Prior thereto, he was chief credit officer of Bombardier Capital, a financial services entity of a global transportation manufacturer, for five years. Mr. Houdeshell holds a Bachelor or Science in Finance from Florida State University and a Master's degree in Business Administration from Stonier Graduate School of Banking, University of Delaware.

Charles "Chuck" Shaffer*,* age 41, Executive Vice President, has led the Community Banking Group for the Bank since 2013, helping consumers and small businesses meet their financial needs, as technology and more choices proliferate. As a key driver in moving the Company into the future, Mr. Shaffer plays an important role in leading Seacoast's retail, small business, mobile, wealth and non-branch distribution strategies, as well as designing and working across the organization at all levels to implement earnings improvements. Previously, he served as Senior Vice President and Controller of the Bank from 2005 to 2013. Mr. Shaffer joined the Bank in 1998 serving in various accounting positions. His experience includes all facets of accounting and finance including internal risk related reporting, SEC reporting, regulatory reporting and strategic planning. Mr. Shaffer holds a Bachelor of Science in Finance from Florida State University, a Bachelors of Arts in Accounting from Florida Atlantic University and a Master's of Business Administration with a finance specialization from the University of Central Florida. He is also a CPA licensed in the State of Florida.

CORPORATE GOVERNANCE

Corporate Governance Framework

Board Independence	· 11 of our 14 directors are independent. · Our CEO is the only member of management who serves as a director.
Board Composition	· Directors regularly review Board performance; assess gaps in skills and experience; look for new directors to provide a fresh prospective and ensure sufficient succession planning while maintaining continuity. We added four new directors to our board in the last two years and have nominated another new director this year.
Board Committees	· We have three standing board committees—Audit; Compensation and Governance; and Enterprise Risk Management. · The Audit Committee and the Compensation and Governance Committee consist entirely of independent, non-management directors. · Chairs of the committees shape the agenda and information presented to their committees.
Independent Lead Director	· Our independent directors elect an independent lead director. · Our independent lead director chairs regularly scheduled executive sessions, without management present, at which directors can discuss management performance, succession planning, board information needs, board effectiveness or any other matter.
Board Oversight of Risk	· Our Board maintains the ultimate oversight responsibility for risk management. Through an integrated enterprise risk management process, key risks are reviewed and evaluated by the Enterprise Risk Management Committee ("ERMC") before they are reviewed by the Board. · The ERMC oversees the integration of risk management at Seacoast, monitors the risk framework, and makes recommendations to the Board regarding the Company's risk appetite. · The Audit Committee oversees the Company's financial risk management process. · The Compensation and Governance Committee oversees risks and exposures related to the Company's corporate governance, director succession planning, and compensation practices to ensure that they do not encourage imprudent or excessive risk-taking. · The Compensation and Governance Committee assists the Board with its leadership assessment and succession planning with respect to the position of CEO.

	· Our Board directly oversees and advises management on development and execution of the Company's strategy.
	· We have a plurality vote standard for the election of directors, with a director resignation policy for uncontested elections.
Accountability	· Each common share is entitled to one vote.
	· We have a process by which all shareholders may communicate with our Board, a Board committee or non-management directors as a group, or other individual directors.
Director Stock Ownership	· A personal holding of three times their annual retainer is recommended for each director, to be acquired within five years of joining the Board.
Succession Planning	· CEO and management succession planning is one of the Board's highest priorities. Our Board ensures that appropriate attention is given to identifying and developing talented leaders.
	· Our Board promotes open and frank discussions with senior management and shareholders.
Open Communication	· Our directors have access to all management and employees on a confidential basis.
	· Our Board and its committees are authorized to hire outside consultants at their discretion and at the Company's expense.

Board Independence

The Company's Common Stock is listed on the Nasdaq Global Select Market ("Nasdaq"). Nasdaq requires that a majority of the Company's directors be "independent," as defined by the Nasdaq's rules. Generally, a director does not qualify as an independent director if the director (or, in some cases, a member of the director's immediate family) has, or in the past three years had, certain relationships or affiliations with the Company, its external or internal auditors, or other companies that do business with the Company. The Board of Directors has determined that a majority of the Company's directors are independent directors under the Nasdaq rules. The Company's current independent directors are: Dennis J. Arczynski, Stephen E. Bohner, T. Michael Crook, H. Gilbert Culbreth, Jr., Julie H. Daum, Christopher E. Fogal, Maryann Goebel, Roger O. Goldman, Robert B. Goldstein, Thomas E. Rossin, and Edwin E. Walpole, III. The Board of Directors has also determined that director nominee Jacqueline L. Bradley is independent.

Board Leadership Structure

Chairman and CEO Roles

The Chairman of the Board of Directors provides leadership to the Board of Directors and works with the Board of Directors to define its structure and activities in the fulfillment of its responsibilities. The Company believes that the members of the Board of Directors possess considerable experience and unique knowledge of the challenges and opportunities the Company faces, and therefore are in the best position to evaluate the needs of the Company and how to best organize the capabilities of the Company's directors and executives to meet those needs. As a result, the Company believes that the decision as to who should serve as Chairman and as Chief Executive Officer, and whether the offices should be combined or separate, is properly the responsibility of the Board of Directors, to be exercised from time to time in appropriate consideration of then-existing facts and circumstances.

The Company's current Chief Executive Officer, Dennis S. Hudson, III, also serves as the Chairman of the Board of Directors. He has held the post of Chief Executive Officer for the past 17 years, Chairman for the past ten years, President for the eight years prior to being named Chairman, and has also served as Chief Executive Officer of the Bank for the past 22 years. During this time, Mr. Hudson has led the Company through its growth from a local community bank to an institution with $3.1 billion in assets and 42 full-service branches and five commercial banking centers in 14 counties. In light of Mr. Hudson's significant leadership tenure with the organization, his breadth of knowledge of the Company and his relationship with the institutional investor community, as well as the efficiencies, accountability, unified leadership and cohesive corporate culture that this structure provides, the Board of Directors believes it is appropriate that he serve as both Chief Executive Officer and Chairman.

Independent Lead Director

To further strengthen our corporate governance environment, our independent directors select a lead director from the independent directors if the positions of Chairman and Chief Executive Officer are held by the same person or if the Chairman of the Board is not an independent director. The lead director: coordinates the activities of the independent directors; collaborates with and makes recommendations to the CEO in setting Board meeting agendas; serves as an ex-officio member of each committee of the Board if not otherwise a member of the committee; reviews responses to director shareholder communications with the Board and if requested by a major shareholder or the CEO, is available for consultation or direct communication; prepares the agenda for executive sessions of the independent directors and chairs those sessions; and is primarily responsible for communications between the independent directors and the CEO. A more complete description of the lead director’s role is contained in our Corporate Governance Guidelines and available on the Company’s website at www.seacoastbanking.com. Roger O. Goldman was selected as Lead Director in November 2012.

Executive Sessions

In order to give a significant voice to our non-management directors, our Corporate Governance Guidelines provide for executive sessions of our independent directors. Our independent directors have established a policy to meet separately from the other directors in regularly scheduled executive sessions at least twice annually, and at such other times as may be deemed appropriate by the Company's independent directors. As specified in the Corporate Governance Guidelines, our Lead Independent Director presides at all executive sessions of the independent directors and non-management directors, and sets the agenda for such executive sessions. Any independent director may call an executive session of independent directors at any time. The independent directors met seven times in executive session in 2014. Interested parties, including the Company's shareholders, may communicate directly with non-management directors by sending written communications to Non-Management Directors, c/o Corporate Secretary, Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995.

Committee Structure & Other Matters

Oversight is also provided through the extensive work of the Board's committees – Audit; Compensation and Governance; and Enterprise Risk Management Committee – in key areas such as financial reporting, internal controls, compliance, corporate governance, succession planning, compensation programs and risk management. The Audit Committee and the Compensation and Governance Committee consist entirely of independent, non-management directors.

In addition, at the end of each year, the Board and each of its committees review a schedule of agenda topics to be considered in the coming year. Each Board and committee member may raise subjects that are not on the agenda at any meeting and suggest items for inclusion in future agendas.

The Company believes that the foregoing structure, policies, and practices, when combined with the Company's other governance policies and procedures, provide appropriate opportunities for oversight, discussion, and evaluation of decisions and direction from the Board of Directors.

Director Nominating Process

The Compensation and Governance Committee serves as the nominating committee of the Company. The Committee annually reviews and makes recommendations to the full Board of Directors regarding the composition and size of the Board of Directors and its committees, and if determined necessary, recommends potential candidates to the Board for nomination for election to the Board. The goal is to ensure that the Board of Directors consists of a diverse group of members with the proper expertise, skills, attributes and personal and professional backgrounds who, individually and collectively, are appropriate to achieve the Company's strategic vision and business objectives, and best serve the Company's and shareholders' long-term interests.

As part of the assessment process, the Compensation and Governance Committee evaluates whether the addition of a director or directors with particular attributes, experience, or skill sets could enhance the Board's effectiveness. During the candidate search process, the Committee may consult with other directors and senior officers and may hire a search firm to assist it to identify, evaluate and conduct due diligence on potential director candidates. Once a candidate has been identified, the Committee confirms that the candidate meets the minimum qualifications for director nominees, and gathers information about the candidate through interviews, questionnaires, background checks, or any other means that the Committee deems to be helpful in the evaluation process. Director candidates are interviewed by a Co-Chairman of the Compensation and Governance Committee and at least one other member of the committee. Each member of the committee participates in the review and discussion of director candidates. Where appropriate, directors who are not on the Committee are encouraged to meet with and evaluate the suitability of potential candidates. The Committee then evaluates the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board, and recommends nominees to the Board. The full Board formally nominates candidates for director to be included in the slate of directors presented for shareholder vote based upon the recommendations of the Compensation and Governance Committee following this process.

Given the evolving needs and challenges of the Company, the Compensation and Governance Committee believes that the Board of Directors as a whole should have diversity of experience, which may, at any one or more times, include differences with respect to personal, educational or professional experience, gender, ethnicity, national origin, geographic representation, community involvement and age. However, the Compensation and Governance Committee does not assign specific weights to any particular criteria. Its goal is to identify nominees that, considered as a group, will possess the talents and characteristics necessary for the Board of Directors to fulfill its responsibilities. In addition, each director must have the qualifications, if any, set forth in the Company's Bylaws, as well as the following qualifications:

- the highest ethical character, an appropriate personal and professional reputation, and must share the values of the Company as reflected in its Code of Conduct;
- the ability to exercise sound business judgment; and
- substantial business or professional experience and be able to offer meaningful advice and guidance to the Company's management based on that experience.

The Compensation and Governance Committee also considers numerous other qualities, skills and characteristics when evaluating director nominees, such as:

- an understanding of and experience in the financial services industry, as well as accounting, finance, legal, real estate, corporate governance and technology expertise;
- leadership experience with public companies or other major organizations, as well as civic and community relationships; and
- qualifications as an independent director.

Any Company shareholder entitled to vote generally on the election of directors may recommend a candidate for nomination as a director. A shareholder may recommend a director nominee by submitting the name and qualifications of the candidate the shareholder wishes to recommend to the Company's Compensation and Governance Committee, c/o Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. To be considered, recommendations with respect to an election of directors to be held at an annual meeting must be received not less than 60 days nor more than 90 days prior to the anniversary of the Company's last annual meeting of shareholders (or, if the date of the annual meeting is changed by more than 20 days from such anniversary date, within 10 days after the date that the Company mails or otherwise gives notice of the date of the annual meeting to shareholders), and recommendations with respect to an election of directors to be held at a special meeting called for that purpose must be received by the 10th day following the date on which notice of the special meeting was first mailed to shareholders. Recommendations meeting these requirements will be brought to the attention of the Company's Compensation and Governance Committee. Candidates for director recommended by shareholders are afforded the same consideration as candidates for director identified by Company directors, executive officers or search firms, if any, employed by the Company. In 2014, there were no shareholder nominee recommendations received.

Since last year's annual meeting, Jacqueline L. Bradley was identified by the Compensation and Governance Committee as an appropriate candidate for the Company's Board of Directors, to replace Seacoast director Dale M. Hudson who plans to retire at the Annual Meeting upon Ms. Bradley's appointment.

Shareholder Communications

The Company's Corporate Governance Guidelines provide for a process by which shareholders may communicate with the Board, a Board committee or the non-management directors as a group, or other individual directors. Shareholders who wish to communicate with the Board of Directors, a Board committee, the Lead Director or any other directors or an individual director may do so by sending written communications addressed to the Board of Directors of Seacoast Banking Corporation of Florida, a Board committee or such group of directors or individual director, c/o Corporate Secretary, Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box, 9012, Stuart, Florida 34995. All communications will be compiled by the Company's Secretary and submitted to the Board of Directors, a committee of the Board of Directors or the appropriate group of directors or individual director, as appropriate, at the next regular meeting of the Board.

Corporate Governance Guidelines

The Board of Directors has adopted the Company's Corporate Governance Guidelines that are available on the Company's website at *www.seacoastbanking.com*, or without charge, upon written request to Seacoast Banking Corporation of Florida, c/o Corporate Secretary, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995.

Code of Conduct and Ethics

The Board of Directors has adopted a Code of Conduct applicable to all directors, officers and employees and a Code of Ethics for Financial Professionals applicable to the Company's chief executive officer and its chief financial officer, both of which are available on the Company's website at *www.seacoastbanking.net*, or without charge, upon written request to Seacoast Banking Corporation of Florida, c/o Corporate Secretary, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. The Company will post on its website any amendment to or waiver from a provision of its Code of Conduct or Code of Ethics for Financial Professionals.

Board Meeting Attendance

The Board of Directors held eight regular meetings, three special meetings, and one joint strategic planning meeting with the Bank's board of directors during 2014. All of the directors attended at least 75 percent of the total number of meetings of the Board of Directors and committees on which they served. Ten of the Company's 12 then-incumbent Directors attended the Company's 2014 annual shareholders' meeting. The Company encourages all of its directors to attend its shareholders' meetings and all meetings of the Board of Directors and committees on which the directors serve.

Risk Oversight

The Board of Directors maintains oversight responsibility for the management of the Company's risks. A fundamental part of risk management is not only anticipating and understanding the risks the Company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The Board believes that risk management is an integral part of the Company's annual strategic planning process which addresses, among other things, the risks and opportunities facing Seacoast. The types of risks that the Company faces include:

- macro-economic risks, such as inflation, reductions in economic growth, or recession;
- political or regulatory risks, such as restriction on access to markets;
- event risks, such as natural disasters; and
- business specific risks related to strategy, financial reporting, credit, asset/liability management, market, operational execution (corporate governance, legal and regulatory compliance), and reputation.

While the Board of Directors maintains the ultimate oversight responsibility for risk management, the Company has adopted an enterprise risk management initiative to assist the Board. This process involves the Board of Directors, management and other personnel in an integrated effort to identify, assess, prioritize and manage the risks that affect our ability to execute on our corporate strategy and fulfill our long-term business objectives. This holistic process includes the development of plans to balance and manage these risks or mitigate their effects. As part of this process, the Board and its committees have been assigned responsibility for risk management oversight of specific areas.

The Enterprise Risk Management Committee (“ERMC”) assists the Board in overseeing the integration of risk management at the Company, monitoring the risk framework which enables the full Board to identify, consider, and oversee critical issues and opportunities. The Board adopts a risk appetite based on ERMC’s comprehensive assessment of Seacoast’s key risks, the interrelationships between these key risks, and their relative rewards. The ERMC may also propose strategic actions that determine the short, medium, and long term risk posture of Seacoast; and recommends to the Board risk-based decisions to achieve Seacoast’s strategic, operational and financial objectives.

The Audit Committee is charged with overseeing the Company's financial risk management process each year, including ensuring that management has taken steps to monitor, control and report such risks and reviewing with management the most significant risks identified and management's plans for addressing and mitigating the potential effects of such risks.

The Compensation and Governance Committee oversees risks and exposures related to the Company's programs and policies for corporate governance and director succession planning. The Compensation and Governance Committee also has oversight responsibility related to executive compensation matters. In addition, the Compensation and Governance Committee assists the Board with its leadership assessment and succession planning with respect to the position of CEO, and monitors and advises on management's succession planning for other executive officers.

Succession Planning & Management Development

Our Board understands that a strong succession framework reduces risk to the organization and therefore ensures that appropriate attention is given to identifying and developing talented leaders. The Board maintains oversight responsibility for planning for succession with respect to the position of CEO and monitoring and advising on management's succession planning for other executive officers. The Board's goal is to have a long-term and continuing program for effective senior leadership development and succession. The Board also has short-term contingency plans in place for emergency and unexpected occurrences, such as the sudden departure, death, or disability of the CEO or other executive officers.

The Compensation and Governance Committee, working with the CEO, annually evaluates succession planning at the senior levels of management and reports the results of such evaluation to the Board, along with recommendations on management development and succession planning. The updated succession plan is reviewed and approved by the Board to ensure that competencies are in alignment with the strategic plan. The annual review of the CEO succession planning process includes a review of specific individuals identified as active CEO succession candidates, and each of those individuals is reviewed with respect to progress in his or her current job position and progress toward meeting his or her defined leadership development plan. The Company's CEO and senior management are similarly responsible for supporting "next generation" leadership development by: identifying core talent, skills and capabilities of future leaders within the Company; assessing the individuals against leadership capabilities; identifying talent and skill gaps and development needs; assisting with internal candidate development; and identifying significant external hire needs.

The Board and individual Board members may meet with, advise and assist CEO succession candidates and become familiar with other senior and future leaders in the Company. Directors are encouraged to become sufficiently familiar with the Company's executive officers to be able to provide perspective on the experience, capabilities and performance of potential CEO candidates. The Board urges senior management, as well as other members of management who have future leadership potential within the Company, to attend and present at Board meetings so that each can be given appropriate exposure to the Board. The Board may contact and meet with any employee of the

Company at any time, and are encouraged to make site visits, to meet with management, and to attend Company, industry and other events.

Board Committees

The Company's Board of Directors has three standing permanent committees: the Audit Committee, the Compensation and Governance Committee, and the Enterprise Risk Management Committee. These committees serve the same functions for the Company and the Bank. The current composition of each Company committee is set forth in the below table.

Director Name	**Audit**	**Compensation & Governance**	**Enterprise Risk Management**
Dennis J. Arczynski (1)	X		X (2)
Stephen Bohner (1)		X	
T. Michael Crook (1)	X		X
H. Gilbert Culbreth, Jr. (1)		X (2)	
Julie H. Daum (1)		X	
Christopher E. Fogal (1)	X (2)		
Maryann Goebel (1)	X		X
Roger O. Goldman (1) (3)			
Robert B. Goldstein (1)		X (2)	X
Dale M. Hudson			
Dennis S. Hudson, Jr.			X
Dennis S. Hudson, III			
Thomas E. Rossin (1)			X
Edwin E. Walpole (1)		X	

(1) Independent Director
(2) Committee Chairman
(3) Independent Lead Director who serves as an ex-officio (non-voting) member of all committees.

Audit Committee

The Audit Committee is currently composed of Mr. Fogal (Chair), Mr. Arczynski, Mr. Crook and Ms. Goebel, all of whom the Board of Directors has determined are independent directors under Nasdaq and SEC rules. The Board of Directors has also determined that Mr. Fogal is an “audit committee financial expert” as defined by Item 407 of Regulation S-K. The Audit Committee has the responsibilities set forth in the Audit Committee charter, as adopted by the full Board of Directors, including reviewing Seacoast’s and its subsidiaries’ financial statements and internal accounting controls, and reviewing reports of regulatory authorities and determining that all audits and examinations required by law are performed. The Audit Committee charter is available on the Company’s website at *www.seacoastbanking.com* or upon written request to c/o Corporate Secretary, Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. The Audit Committee appoints the independent auditors, reviews their audit plan, and reviews with the independent auditors the results of the audit and management’s response thereto. The Audit Committee also reviews the adequacy of the internal audit budget and personnel, the internal audit plan and schedule, and results of audits performed by the internal audit staff and those outsourced to a third party. The Audit Committee is responsible for overseeing the audit function and appraising the effectiveness of internal and external audit efforts. The Audit Committee also reviews the procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and changes to the Company’s Code of Conduct, and approves related party transactions. The Audit Committee periodically reports its findings to the Board of Directors. This committee held six meetings in 2014. Following these meetings, the Audit Committee met three times in private session with our independent auditor, and three times in private session without members of management present, but with a third party accounting firm who co-sources a portion of the Company’s internal audit function.

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Compensation and Governance Committee

The Compensation and Governance Committee is currently composed of Mr. Culbreth (Co-Chair), Mr. Goldstein (Co-Chair), Mr. Bohner, Ms. Daum and Mr. Walpole, all of whom the Board of Directors has determined are independent directors under Nasdaq and SEC rules. This committee has the authority set forth in its charter, and approved by the Board of Directors, including:

- determining the compensation of the Company’s and the Bank’s key executive officers;
- overseeing the preparation of a “compensation discussion and analysis” on executive compensation and an annual compensation committee report which is included herein under “Compensation and Governance Committee Report”;
- administering the provisions of the Company’s incentive compensation plans and other employee benefits plans;
- identifying qualified individuals to serve as members of the board of directors of the Company and/or the Bank;
- recommending to the boards of directors of the Company and the Bank the director nominees for the next annual meeting of shareholders;
- taking a leadership role in shaping corporate governance policies and practices, including recommending to the Board of Directors the corporate governance guidelines applicable to Seacoast and monitoring Seacoast’s compliance with these policies and guidelines; and
- making recommendations to the Board of Directors concerning management development and succession planning activities at the senior levels of management, including an appropriate successor in the event of the unexpected death, incapacity or resignation of the CEO.

The Compensation and Governance Committee has the resources and authority to discharge its responsibilities, including authority to retain and terminate any compensation consulting firms, director search firms, independent legal counsel and other compensation advisers used to assist in carrying out its responsibilities, including the sole authority to approve the fees and other retention terms for such consultants, lawyers, and advisers, with such fees to be borne by the Company. The committee may delegate to a subcommittee consisting of two or more members, to the extent permitted by applicable law, such of its duties and responsibilities as it deems appropriate and advisable. The committee periodically reports its activities to the Board of Directors.

The responsibilities and duties of the Compensation and Governance Committee are more fully set out in the committee's charter, available on the Company's website at *www.seacoastbanking.com* or upon written request to c/o Corporate Secretary, Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. In 2014, the Compensation and Governance Committee held eight meetings.

Enterprise Risk Management Committee

The Enterprise Risk Management Committee ("ERMC") is currently composed of Mr. Arczynski (Chair), Mr. Crook, Ms. Goebel, Mr. Goldstein, Mr. Hudson, Jr. and Mr. Rossin. This committee has the authority set forth in its charter, and approved by the Board of Directors, including:

- monitoring the risk framework to assist the full Board of Directors in identifying, considering, and overseeing critical issues and opportunities;
- evaluating strategic opportunities being considered by Seacoast from a risk perspective, highlighting key risk considerations embedded in such strategic opportunities for the full Board, and making recommendations on courses of action to the Board based on the ERMC's evaluation;

- providing oversight of the risk management monitoring and reporting functions at Seacoast to help ensure these functions are independent of business line or risk-taking processes;

- reviewing key management, systems, processes and decisions, and assessing the integrity and adequacy of the risk management function of Seacoast to help build risk assessment data into critical business systems, and reporting any significant issues to the Board;

- making recommendations to the Board regarding the Company's risk appetite, limits and policies and reviewing the strategic plan to help ensure it aligns with the Board-approved risk appetite; and

- recommending to the Board the capital policy consistent with the Company's risk appetite and reviewing the adequacy of Seacoast's capital and its allocation to each line of business.

The ERMC has the resources and authority to discharge its responsibilities, including direct and unrestricted access to Seacoast's management and non-management personnel and all corporate records. In exceptional circumstances, with the advice and consent of the full Board, the Committee is authorized to: i) engage independent legal, accounting, and other advisors as it deems necessary to carry out its duties, and ii) compel management to develop and/or implement any additional procedures in support of risk policies. The committee may delegate to a subcommittee consisting of two or more members, to the extent permitted by applicable law, such of its duties and responsibilities as it deems appropriate and advisable. The committee periodically reports its activities to the Board of Directors.

The responsibilities and duties of the ERMC are more fully set out in the committee's charter, available on the Company's website at *www.seacoastbanking.com* or upon written request to c/o Corporate Secretary, Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. In 2014, the ERMC held seven meetings.

Executive Officers

Executive officers are appointed annually at the organizational meeting of the respective Boards of Directors of Seacoast and the Bank following the annual meeting of Company shareholders, to serve until the next annual meeting and until successors are chosen and qualified.

Management Stock Ownership

As of the Record Date, based on available information, all directors, director nominees and executive officers of Seacoast as a group (20 persons) beneficially owned approximately 9,331,680 outstanding shares of Common Stock, constituting 28.2 percent of the total number of shares of Common Stock outstanding at that date. In addition, as of the Record Date, various subsidiaries of Seacoast, as fiduciaries, custodians, and agents, had sole or shared voting power over 45,584 outstanding shares, or 0.1 percent of the outstanding shares, of Seacoast Common Stock, including shares held as trustee or agent of various Seacoast employee benefit and stock purchase plans. See "Questions and Answers about the Proxy Solicitation Materials and the Proxy Solicitation" and "Security Ownership of Management and Certain Beneficial Holders."

COMPENSATION DISCUSSION & ANALYSIS

Overview

The Company's executive compensation programs were influenced by several factors in 2014. During 2014, Florida's economy showed steady improvement, with solid job growth, declining unemployment and improved consumer confidence. Our housing markets, manufacturing base, tourism and services industries continued to build momentum, providing a diversified base for our economy. We believe the Florida economy will further strengthen in 2015, and we will continue to benefit from population growth as more people migrate to the state.

Seacoast achieved a number of significant accomplishments during 2014. Focusing on control, profit and growth, we built our core business, invested further in innovation and talent, and successfully completed a significant acquisition in the fourth quarter that increased our size by approximately one-third. Seacoast's balance sheet, excluding the acquisition, also grew in 2014 with loan growth of 12% and deposit growth of 9%, both of which were double the rates achieved in 2013. Combined with deployment of excess liquidity, our organic growth fueled core net interest income growth and margin expansion. Moreover, growth in households drove higher fee income, which was 6% higher than in 2013, spurred by increases in interchange income, service charges on deposit accounts and trust fee income. Balance sheet growth, fees and associated revenue growth, together with successful expense initiatives, led to better core profitability in 2014. We also continued to reduce our total expense structure, while maintaining strong internal controls and investing in high performing talent, digital marketing, data analytics and a 24/7 customer service center. These investments in innovation and talent transformed the capabilities of the organization and will help support future growth and provide greater efficiencies going forward.

An important highlight for Seacoast in 2014 was our successful acquisition of The BANKshares, Inc., which closed on October 1 and expanded our presence in central Florida, particularly the greater Orlando market. This acquisition contributed $516 million in deposits and over $364 million in loans to our balance sheet. The acquisition produced better than forecast earnings accretion and cost savings results. It also provides excellent opportunities for future growth in one of Florida's fastest growing markets.

The Company was a participant in the U.S. Department of the Treasury's Capital Purchase Program ("CPP") from December 2008 through March 2012. During this period, the Company was prohibited from offering certain bonuses or incentive compensation awards (other than certain long-term restricted stock awards), or paying severance benefits, to our five most highly compensated senior executive officers.

In 2013, the Compensation and Governance Committee, which we refer to in this section as the Committee, worked to develop a new executive compensation program which would support strong earnings performance and growth, reward our leadership team for delivering positive results, and build shareholder value without encouraging unnecessary risk-taking. The new program was partially implemented in 2013, with grants of stock options and performance-based restricted stock units. Further stock option awards and performance-based restricted stock units were granted under this program in 2014.

The following discussion and analysis describes the compensation of the Company’s named executive officers during 2014, as well as our compensation objectives and policies, the material elements of our compensation program, and the material factors considered in setting executive compensation. Our named executive officers for 2014 are listed below:

· Dennis S. Hudson, III, Chairman and Chief Executive Officer (“CEO”) of the Company and the Bank;

· William R. Hahl, Executive Vice President and Chief Financial Officer (“CFO”) of the Company and the Bank;

· Charles K. Cross, Jr., Executive Vice President and Commercial Banking Executive of the Bank;

· David Houdeshell, Executive Vice President and Chief Credit Officer (“CCO”) of the Company and the Bank; and

- Charles M. Shaffer, Executive Vice President and Community Banking Executive of the Bank.

The compensation of the named executive officers is presented in the tables and related information and discussed under "Executive Compensation" following this section.

Summary

The following is a brief overview of the information provided in this section.

General

- The objectives of our compensation program are to attract and retain talented executives, to align their interests with those of our shareholders, to recognize their individual contributions to the achievement of the Company's and the Bank's performance objectives, and to cultivate and sustain an entrepreneurial ownership mentality, while discouraging unnecessary or excessive risk.

- Our goal is to be competitive with our total direct compensation, using industry data to benchmark compensation.

- In 2014, compensation for our executives included:
  - base salary;
  - non-incentive plan cash bonuses;
  - stock options;
  - performance-vesting restricted stock units;
  - 20 shares of fully-vested Seacoast stock awarded to all of our employees;
  -

benefits that include the same group health and welfare benefit programs and tax-qualified retirement plans available to all of our employees, in addition to a non-qualified deferred compensation plan and supplemental executive life and disability coverage; and

- limited executive perquisites.

- Our CEO has an employment agreement that provides severance pay if his employment is terminated in certain circumstances, including a change in control. Each of the Company's other named executive officers has a change in control agreement that provides severance pay if the executive's employment is terminated following a change in control.

2014 Compensation

In 2014, the Committee continued to emphasize performance-vested stock-based compensation for the Company's executive officers. In early 2014, the Committee decided not to increase the base salaries of CEO Dennis S. Hudson, III, CFO William R. Hahl or CCO David Houdeshell. However, the Committee did approve base salary increases for Messrs. Cross and Shaffer, who became named executive officers for the first time.

The Committee did not to make any short-term cash incentive awards to any of the Company's executive officers in 2014. However, Messrs. Cross, Houdeshell and Shaffer received non-incentive plan bonuses in March 2015 in recognition of their individual performance for 2014 and their contributions to the Company's overall performance. In addition, after careful consideration of various equity compensation alternatives, the Committee granted time-vesting stock options in April 2014. The stock options vest in annual installments over a three year period. In October 2014, performance-vesting restricted stock units were granted to Messrs. Cross and Shaffer, both of whom were promoted with additional responsibility for revenue-producing units in the Bank which could have a significant impact on the Company's performance. The restricted stock units mirror similar awards provided to the other executives in the prior year and are variable, based on the achievement of goals relating to after tax earnings and classified assets over a period ending on December 31, 2015, and vest in annual installments over a period of five years after the end of the performance period. The Committee decided not to grant any short-term equity incentive awards in 2014.

Governance and Evolving Compensation Practices

The Committee and Company management are mindful of evolving practices in executive compensation and corporate governance. In response, we have adopted certain policies and practices that are in keeping with "best practices" in many areas. For example:

- We do not provide excessive executive perquisites or extraordinary relocation benefits to our named executive officers.
- The employment agreement between the Company and CEO Hudson is not automatically renewable and requires an employment termination ("double-trigger") for payment under a change in control.
- Our 2013 Incentive Plan has "double-trigger" vesting for equity awards in the context of a change in control if the awards are assumed by the acquiring company.
- Our 2013 Incentive Plan expressly prohibits repricing of options (directly or indirectly) without prior shareholder approval.
- We have stock ownership guidelines applicable to executive officers. Executive officers must retain "Net Shares" (as defined below under "Stock Ownership Guidelines") unless and until they have achieved the applicable stock ownership target or until termination of service, if earlier.
- The Committee engages an independent compensation consultant.
- Company policy prohibits directors and executive officers from engaging in hedging activities involving Company stock and limits pledging of Company stock.
- Company policy requires the recovery of certain incentive-based compensation paid to current or former executive officers in the event of an accounting restatement.

Compensation Philosophy and Objectives

The concentration of wealth on the southeast coast of Florida makes the area in which the Company operates one of the most attractive regions in Florida for banks to operate and therefore a highly competitive employment market. The

Company competes for talent with large national and regional bank franchises who seek local executive and production personnel, and with small local bank franchises who seek executive level talent.

In order to operate in this highly competitive market, the Company has implemented a complex business model that requires bankers who can leverage the best strategies of both large and small banking institutions. Specifically, the Company’s size allows it to compete for larger commercial relationships, supported by a complete product offering which includes trust, investment services, private banking and specialty financing, as well as consumer and business banking services. In addition, we have harnessed technology to meet the evolving needs and demands of our customers today and into the future. In order to compete with smaller community banks in its markets, the Company also maintains a personal relationship banking focus on both consumer and commercial business customers. We believe this dual strategy requires an organizational culture driven by the value systems of its employees—where profitability is ultimately driven by disciplines such as taking high levels of personal responsibility, creating effective relationships, providing superior customer service and taking an entrepreneurial ownership perspective.

The Company strives to satisfy the demands of its business model by rewarding executive officers both for the successful implementation of Company corporate objectives and for individual performance. The Company considers a full range of compensation elements in order to compare favorably with its peers as it seeks to attract and retain key personnel. In addition, to promote entrepreneurial thinking and an ownership perspective, the Company places great emphasis on performance-based compensation.

In designing the compensation program for executive officers, the Committee seeks to achieve the following key objectives:

- *Attract and Retain Talented Executives*. The compensation program should provide each executive officer with a total compensation opportunity that is market competitive and provide performance-based opportunities for wealth creation. This objective is intended to ensure that there are highly competent leaders in the organization, while maintaining an appropriate cost structure for the Company.
- *Establish clear and enterprise-wide expectations for growth, return and risk management.* The compensation program should establish a common definition of success that rewards growth and high performance, encourages long-term thinking, promotes an enterprise-wide focus and effectively manages risk.
- *Alignment with Shareholders*. The compensation program should align executives' interests with those of the Company's shareholders, promoting actions that will have a long-term positive impact on total shareholder returns.
- *Recognize Individual Contributions*. The compensation program should reward executive officers for individual contributions to the success of the Company's operating performance. The Committee believes that over time the achievement of the Company's performance objectives is the primary determinant of share price.
- *Encourage Entrepreneurial Thinking.* The compensation program should cultivate, encourage and sustain an entrepreneurial mentality, reward those who recognize and capitalize on market opportunities, and promote an ownership perspective.
- *Discourage Taking Excessive Risk*. The compensation program should limit any features that could lead to a senior executive officer taking unnecessary, imprudent or excessive risks that could threaten the value of the Company.

In the second half of 2012, when the Company was no longer restricted by its participation in the CPP, the Committee decided to develop a new incentive program for those individuals who are in positions to meaningfully impact the Company's bottom line goals. In August 2012, the Committee engaged Grant Thornton, a nationally known independent consulting firm, to conduct a review of compensation of the Company's executive officers, which is described under "Role of the Compensation Consultant" below. The information obtained from the study was used by the Committee to develop the incentive compensation program for executive officers, which was partially implemented in 2013 and 2014. In late 2014, the Committee again engaged Grant Thornton to retool its executive compensation program to place increased emphasis on the Company's long-term performance and profitability and to promote entrepreneurial thinking and an ownership perspective.

Determining Executive Compensation

Role of the Committee

The Committee is responsible for establishing our compensation philosophy and for overseeing our executive compensation policies and programs generally. As part of this responsibility, the Committee:

- approves our executive compensation programs, including grants of equity awards;
- evaluates the performance of the CEO and determines the CEO's compensation; and

- reviews the performance of other members of executive management and approves their compensation based on recommendations made by the CEO.

The Committee reviews executive officer compensation to ensure that such compensation is consistent with our compensation philosophies, Company and personal performance, changes in market practices and changes in individual responsibilities.

Role of the Compensation Consultant

From time to time, the Committee has engaged independent compensation consultants and advisors. In general, these consultants and advisors have provided compensation benchmarking and analytical data and have rendered advice to the Committee regarding all aspects of the Committee's compensation decisions. The Committee has direct access to consultants and control over their engagement.

In August 2012, the Committee engaged Grant Thornton to conduct a review of the compensation of the Company's executive officers in comparison to a peer group of banks which was selected by Grant Thornton and approved by the Committee. Grant Thornton was also engaged to provide assistance with development of a short-term incentive compensation plan and a long-term equity-based incentive plan for executive officers and key managers, and to conduct a review of compensation paid to directors.

In March 2014 and again in March 2015, the Committee evaluated the independence of Grant Thornton in light of SEC rules and Nasdaq listing standards, which require consideration of the following factors:

- whether any other services are provided to the Company by the consultant;
- the fees paid by the Company as a percentage of the consulting firm's total revenue;
- the policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest;
- any business or personal relationships between the individual consultants involved in the engagement and a member of the Committee;
- any company stock owned by the individual consultants involved in the engagement; and

- any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement.

The Committee discussed these considerations and concluded that the engagement of Grant Thornton and the services provided to the Committee by Grant Thornton did not raise any conflict of interest.

Benchmarking and Comparator Group

Grant Thornton’s 2012 review of executive compensation included a comparison of salary, bonus and other forms of compensation, including stock based compensation, for a peer group of 20 publicly held regional banks that were identified by Grant Thornton as being comparable to the Company in size and geography. The asset size of the peer group ranged between $1.5 billion and $2.9 billion, with an average asset size of $2.4 billion, based on data from the most recent fiscal quarter-end available at the time of the study. While the peer group was primarily based on asset size and geography, Grant Thornton also considered the peer bank’s business model, financial performance and future company focus. Given the dramatic changes in the banking landscape in the last few years and the limited number of banks of Seacoast’s size remaining in Florida, the study included two Florida-headquartered banks and other banks in the Southeastern U.S. The peer group also contained a combination of banks that had participated in the CPP and those not limited by CPP restrictions, as well as banks located in similar but less stressed markets. Three of the banks in the peer group (FNB United Corp., Southern Community Financial Corp. and Virginia Community Bancorp Inc.) are no longer publicly trading. The remaining peer group members include:

- Ameris Bancorp (ABCB)
- BNC Bancorp (BNCN)
- Capital City Bank Group, Inc. (CCBG)
- Cardinal Financial Corporation (CFNL)
- CenterState Banks, Inc. (CSFL)
- City Holding Company (CHCO)
- Eagle Bancorp Inc. (EGBN)
- Fidelity Southern Corporation (LION)
- First Community Bancshares, Inc. (FCBC)
- Hampton Roads Bankshares, Inc. (HMPR)
- Metro Bancorp, Inc. (METR)
- Newbridge Bancorp (NBBC)
- Southeastern Bank Financial Corp. (SBFC)
- State Bank Financial Corp. (STBZ)
- Stellarone Corp. (STEL)
- Sterling Bancorp (STL)
- Univest Corporation of Pennsylvania (UVSP)

Grant Thornton concluded that between 2009 and the 2012 study, total compensation for the Company's executive officers had declined in comparison to the market. To improve the competitiveness of the Company's executive compensation package, Grant Thornton recommended the development of a long-term incentive plan designed to provide an opportunity for executives to earn equity compensation over a multi-year performance period based on achievement of specific performance targets.

Overview of Compensation Program for Executive Officers

After the compensation restrictions under the CPP ended in the first half of 2012, the Committee formulated a new incentive compensation program for executive officers which was partially implemented in 2013 and was carried into 2014.

Once fully implemented, the executive compensation program will consist of the following elements: 1) base salary, 2) annual cash incentive award, and 3) equity compensation. Each element of the executive compensation program addresses different objectives. Those elements utilized in 2014 are described more fully below under "Elements of the 2014 Compensation Program for Executive Officers". Base salary represents the fixed portion of each executive's compensation and is generally targeted at or around the 50th percentile of comparable positions. The annual cash incentive award is another form of cash compensation that is earned based on achieving specific measurable objectives which, when met, result in acceptable overall operating results for the Company. The stock compensation is provided to align the executive's compensation with growth in shareholder value. Each component of the stock compensation has a different time horizon and performance measure(s) designed to align with specific short-term and long-term goals which support our long-term strategic direction, as reflected below:

Stock Compensation Component	Time Horizon	Performance Goals	Performance Measures
Portfolio Stock Grants	3 Years	· Profitability & Growth · Shareholder Value Creation	· Net Income Growth · Relative Total Shareholder Returns
		· Profitability & Growth	· Unit Profitability

Incentive Stock Grants	1 Year	· Shareholder Value Creation · Strategic Milestones	· Other Financial Measures · Board Evaluation of milestone goals achieved
Stock Options	5-10 Years	· Shareholder Value Creation	· Stock Price

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This executive compensation program was partially implemented in 2013 and carried into 2014, with grants of portfolio stock awards (in the form of performance-vesting restricted stock units) and stock options. The Committee did not implement the remainder of the program, which includes annual cash incentive awards and short-term incentive stock awards, in 2014 as expected. However, non-incentive plan bonuses were paid to Messrs. Cross, Houdeshell and Shaffer in March 2015 based on their individual performance for 2014 and their contributions to the Company's overall performance.

Elements of the 2014 Compensation Program for Executive Officers

As described in more detail below, the elements of the Company's 2014 executive compensation program included:

- base salary;
- non-incentive plan cash bonuses;
- stock options;
- performance-vesting restricted stock units, which we refer to as "portfolio stock awards";
- 20 shares of Seacoast stock awarded to all of our employees;
- benefits that include the same group health and welfare benefit programs and tax-qualified retirement plans available to all of our employees, in addition to a non-qualified deferred compensation plan and supplemental executive life and disability coverage; and
- limited executive perquisites.

Setting 2014 Total Direct Compensation Opportunities

When setting base salary and target amounts for equity awards, the Committee examined each component of pay on both a stand-alone basis and as a total, as well as over a three-year period assuming target level performance is achieved in all periods and full implementation of all short-term and long-term compensation components described above. Pay decisions were based on the Committee's business judgment, informed by the comparative data, professional advice and other considerations, including the individual executive's position, experience and performance, internal pay equity and mastery of position responsibilities.

The table below reflects the targeted percentage of each element of direct compensation for the named executive officers in 2014, excluding indirect forms of compensation such as health, retirement and welfare benefits and perquisites.

2014 Target Compensation Elements as Percentage of Total Compensation

	Base Salary		**Stock Options Target Value (1)**		**Performance-Vesting RSUs Target Value (2)**	
Dennis S. Hudson, III	49	%	6	%	45	%
William R. Hahl	55	%	3	%	42	%
Charles K. Cross, Jr.	55	%	3	%	42	%
David Houdeshell	55	%	3	%	42	%
Charles M. Shaffer	55	%	3	%	42	%

(1) Grant date value, determined using a Black-Scholes analysis. This grant date value is reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table. The number of options granted is shown in the All Other Option Awards column of the Grants of Plan-Based Awards Table.

(2) Grant date value, assuming achievement of target performance goals. This grant date value is reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table. The number of PSUs vesting at threshold, target and maximum performance is shown in the Equity Incentive Plan Awards column of the Grants of Plan-Based Awards Table.

Base Salary

The base salary for each of our executive officers represents the fixed portion of their total compensation. In establishing executive officer base salaries, the Committee has historically considered individual annual performance and contribution to the Company's overall profitability, as well as the relationship of an executive's total compensation compared to similar executives in other banks. Information regarding salaries paid in the market is obtained annually through publicly available salary surveys and proxy statement data, and is used to evaluate the Company's competitiveness in the employment market with its peers and competitors. Independent consultants selected by the Committee may also be used periodically to assess the competitiveness of the Company's salaries. For additional information regarding the determination of the Company's peer group, see "Determining Executive Compensation – Benchmarking and Comparator Group."

The Company's general philosophy is to provide base pay competitive with the market, and to reward individual performance while positioning salaries consistent with Company performance. Given our highly competitive employment market in South Florida and the Company's business strategy, the base salary level for key executives generally is targeted at or around the 50th percentile of comparable positions.

Changes in the base salaries paid to executive officers, including the named executive officers, are recommended by the chief executive officer based on annual performance assessments and are reviewed and approved by the Committee. Performance assessments for base salary adjustments in 2014 were subjective, non-formulaic and were not based upon objective financial criteria. The Committee considers and approves any change in the base salary paid to the chief executive officer after meeting in executive session.

The Committee met in March 2014 and decided not to increase the base salaries of CEO Hudson and the Company's other named executive officers for 2014, except for Messrs. Cross and Shaffer, both of whom were promoted to lead revenue-producing units in the Bank that could have a significant impact on the Company's performance.

Cash Bonuses

As noted above, the Committee did not implement annual cash incentive awards in 2014. However, in March 2015, upon the recommendation of CEO Hudson, the Committee approved cash bonuses for Messrs. Cross, Houdeshell and Shaffer based on their individual performance and their contribution to the overall financial performance of Seacoast in 2014, including the achievement of loan production goals for 2014. The performance assessments on which these cash bonuses were based were subjective and non-formulaic.

Stock Options

The Company granted stock options to the executive officers on April 29, 2014. The options vest in annual installments over a three-year period and have a term of ten years. Because stock options provide compensation opportunity upside based solely on the growth in the Company's share price, the objective of the options is to directly align the Company's executive compensation program with the achievement of superior long-term shareholder returns.

Portfolio Stock Awards (Performance-Vesting RSUs)

Effective August 1, 2014, the Committee approved a grant of performance-vesting restricted stock units (RSUs or PSUs), sometimes referred to as "portfolio stock awards", to Messrs. Cross and Shaffer. Messrs. Cross and Shaffer were promoted and took on additional responsibility for revenue-producing units in the Bank which could have a significant impact on the Company's performance. The awards were granted to bring the equity-based compensation opportunity for Messrs. Cross and Shaffer in line with the equity-based compensation opportunity available to other executive officers, each of whom received similarly sized portfolio stock awards in 2013. These awards have a measurement period which ends on December 31, 2015, with goals relating to after-tax earnings (weighted at 75%) and classified assets (weighted at 25%). Payouts range from 87.5% of the target amount at threshold performance to 151% of the target amount at maximum performance. Achievement of the threshold goal for both measures is required for any of the awards to become eligible to vest. The number of shares that become eligible to vest are based on these performance factors and will then vest in equal annual installments over a three-year period following the performance period. These awards are designed to focus the executives on the Company's earnings and asset quality while investing in long-term growth initiatives and provide retention value during the vesting period.

Change in Control Benefits

The company provides change in control benefits to the named executive officers to encourage them to consider the best interests of shareholders by stabilizing any concerns about their own personal financial well-being in the face of a potential change in control of the Company. These agreements are described under "Employment and Change in Control Agreements", and detailed information is provided under "2014 Other Potential Post-Employment Payments."

Retirement and Employee Welfare Benefits

The Company sponsors a retirement savings plan for employees of the Company and its affiliates (the "Retirement Savings Plan") and a nonqualified deferred compensation plan for certain executive officers (the "Executive Deferred Compensation Plan"). We offer these plans, and make contributions to them, to provide employees with tax-advantaged savings vehicles and to encourage them to save money for their retirement.

The Retirement Savings Plan is a tax-qualified defined contribution plan. All employees who satisfy service eligibility requirements may participate in the plan. The Retirement Savings Plan has various features, including:

- an employer matching contribution for salary deferrals,

- an annual retirement contribution, and
- a profit sharing contribution.

In addition, the Retirement Savings Plan has a feature under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") that allows employees to make voluntary "salary savings contributions" ranging from one percent to 75 percent of compensation (as defined by the Retirement Savings Plan), subject to federal income tax limitations. After-tax contributions may also be made by employees through "voluntary contributions" (as defined in the Retirement Savings Plan for each plan year) subject to certain statutory limitations. A retirement contribution is made on an annual discretionary basis by the Company of up to two percent of "retirement eligible compensation," as defined in the Retirement Savings Plan. The Company contributions to the Retirement Savings Plan vest at the rate of 25 percent for each year the participant has worked at least 1,000 hours, with full vesting after four years of service. A participant becomes 100 percent vested in the event of death, disability or retirement on or after age 55.

The Company match on salary savings contributions was $1.00 for each dollar up to 3% of the employee's annual compensation and $0.50 for each dollar on the next 2% of annual compensation. The retirement contribution in 2014 was 1% of annual compensation. The Company's Board of Directors decided not to make a profit sharing contribution for 2014.

The Executive Deferred Compensation Plan is described under "Executive Compensation–Nonqualified Deferred Compensation."

In addition to our retirement programs, the Company provides employees with welfare benefits, including hospitalization, major medical, disability and group life insurance plans and paid vacation. We also maintain a Section 125 cafeteria plan that allows our employees to set aside pre-tax dollars to pay for certain benefits. All of the full-time employees of the Company and the Bank, including the named executive officers, are eligible to participate in the Retirement Savings Plan and our welfare plans, subject to the terms of those plans.

The Bank provides supplemental disability insurance to certain members of executive management, including the named executive officers, in excess of the maximum benefit of $10,000 per month provided under the group plan for all employees. The supplemental insurance provides a benefit up to 70% of the executive's monthly pre-disability income based on the executive's base salary and annual incentive compensation. Coverage can be converted and maintained by the individual participant after employment ends. The benefit may be reduced by income from other sources, and a partial benefit is paid if a disabled participant is able to work on a part-time basis. In 2014, the Company paid a total of $9,688 for supplemental disability insurance for the named executive officers.

The retirement and employee welfare benefits paid by the Company for the named executive officers that are required to be disclosed in this proxy statement are included below in the "Summary Compensation Table," the "Components of All Other Compensation," and the "Nonqualified Deferred Compensation Table," and are described in the footnotes thereto.

Executive Perquisites

We do not consider perquisites to be a significant element of our compensation program. However, we believe they are important and effective for attracting and retaining executive talent. We do not provide tax reimbursements, or "gross-ups," on perquisites. For 2014, perquisites were limited to a car allowance for Messrs. Cross and Shaffer, and a phone allowance for Messrs. Cross and Houdeshell. For additional details regarding the executive perquisites, see below the "Summary Compensation Table" and the "Components of All Other Compensation."

Risk Analysis of Executive Compensation

In 2014, the Committee and our head of human resources conducted a risk assessment of our compensation plans and programs to determine whether incentive compensation programs are reasonably likely to have a material adverse effect on the Company. This risk assessment consisted of a review of cash and equity compensation provided to our employees, with a focus on incentive compensation plans which provide variable compensation to employees based upon performance of the Company, one of its subsidiaries or business units, or the individual employee. The incentive plans are designed to provide a strong link between performance and pay.

In light of the review, the Company concluded that the compensation programs are designed with the appropriate balance of risk and reward in relation to our overall business strategy and do not create risk that is reasonably likely to have a material adverse effect on the Company. The Company also concluded that risks can be effectively monitored and managed. The Committee will continue to consider compensation risk implications when making decisions regarding our compensation programs.

Clawback Policy

We have adopted a Compensation Recoupment Policy to recover, to the extent practicable and appropriate, incentive compensation from any executive officer when:

- the incentive compensation payment or award (or the vesting of such award) was based upon the achievement of financial results that were subsequently the subject of a restatement, regardless of whether the executive engaged in misconduct or otherwise contributed to the requirement for the restatement; and

- a lower payment or award would have been made to the executive officer based upon the restated financial results.

The policy is available on our website at www.seacoastbanking.com. The policy, as written, anticipates the final rules implementing the clawback provision of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010, but will be amended, if necessary, when final regulations are issued by the SEC.

Anti-Hedging and Anti-Pledging Policy

In March 2014, the Company adopted an anti-hedging policy. The policy prohibits our employees, including our executive officers and directors, from purchasing any financial instrument or entering into any transaction that is designed to hedge or offset any decrease in the market value of our stock, including exchange funds, prepaid variable forward contracts, equity swaps, puts, calls, collars, forwards or short sales.

In September 2014, the Company expanded this policy to include pledging. Under the revised policy, our employees, directors and executive officers are required to obtain advance approval of any pledging of Company shares as collateral for loans, including holding Company shares in margin accounts. The policy also limits pledging to reasonable purposes (as defined in the policy) and limits the value of the securities pledged in connection with a loan or other indebtedness to $250,000.

Stock Ownership Guidelines

The Board has established stock ownership guidelines for its officers and directors, as described below:

	Stock Ownership
Tier 1 Officer	3 times annual salary
Tier 2 Officer	2 times annual salary
Tier 3 Officer	2 times annual salary
Tier 4 Officer	1 times annual salary
Board Members	3 times annual retainer

The guidelines for officers were established in 2006 as part of the Executive Equity Compensation Program, which provides a framework for annual grants of restricted stock and stock-settled stock appreciation rights under the Company's shareholder-approved equity plans, in order to promote the corporate objective of increasing executive stock ownership. The program was designed to allow a participant to earn targeted ownership over a reasonable period, usually within five to seven years, provided individual and Company targets are achieved and provided the participant fully participates in the program. The CEO is a Tier 1 participant and each of the other named executive officers is a Tier 2 participant in the Equity Compensation Program. Tiers 3 through 5 are comprised of Bank officers, including line of business and support officers, senior managers and division heads, and other key contributors. Under the equity award agreements, unless and until the recipient has achieved the applicable stock ownership target, the recipient must retain the "Net Shares" (as defined below) of the equity compensation until the stock ownership target has been met or until termination of service, if earlier. "Net Shares" means shares of stock in excess of those sold or withheld to satisfy the minimum tax liability upon vesting or conversion. Except for CEO Dennis S. Hudson, III, the named executive officers have not yet met the established stock ownership guidelines, since no equity awards were made in 2008, 2009, 2010 and 2012.

Impact of Deduction Limit

Code Section 162(m) generally establishes, with certain exceptions, a $1 million deduction limit for all publicly held companies on compensation paid to an executive officer in any year. The Committee gives strong consideration to the deductibility of compensation in making its compensation decisions for executive officers, balancing the goal of maintaining a compensation program which will enable the Company to attract and retain qualified executives with the goal of creating long-term shareholder value. The Committee reserves the right to pay executives' compensation that is not deductible under Section 162(m).

2015 Compensation

The Committee met in March 2015 and, after reviewing market survey data, approved base salary increases for Messrs. Cross, Houdeshell and Shaffer, to $275,000, $265,000 and $250,000, respectively, effective March 1, 2015. These adjustments maintained base salary compensation for each executive at the median of the peer group.

Long-Term Incentive and Equity Strategy for 2015

The Committee changed Seacoast's long-term incentive strategy for our named executive officers and other members of the management team, starting with the new awards granted on January 29, 2015. The change in the long-term incentive and equity strategy reflects the evolution of our business strategy. This change aligns closely with the emerging opportunities we see in our current and future markets in fulfilling customer demand for innovative products and services. Specifically, we see opportunities to grow the value of the enterprise through double digit earnings growth at reasonable rates of return without exposing the Bank to material adverse financial risk.

The Committee approved the structure of the 2015 Long-term Incentive and Equity Program, referred to here as the FY15 Program, because it better supports our business objectives than prior awards, aligning closely with shareholder interests while balancing significant upside earnings potential with comprehensive risk-based incentive considerations. The FY15 Program serves the best interests of our shareholders by providing the management team with a strong performance-based incentive to grow our earnings and deliver returns that equal or exceed our cost of capital. The FY15 Program also enhances the holding power of our retention strategies, while equipping the Bank with the means to attract talented executives possessing an entrepreneurial mindset, critical to our ability to create value for our shareholders.

The Committee carefully considered the structure of the FY15 Program to ensure our executives are not motivated to take excessive risks. In response, the Committee implemented multiple risk-based design features that were not incorporated into our prior long-term incentive strategy.

In January 2015, the Company granted PSUs conditioned on satisfying goals related to cumulative earnings growth and average return on tangible equity over a four-year period, with the possibility of partial catch-up vesting over an additional year. In addition, the Company granted stock options that vest over a four-year period following achievement of a stock price equal to or greater than 120% of the exercise price for five consecutive trading days. Vesting of the PSUs and the performance options are also conditioned on the Bank's compliance with its Tier 1 regulatory capital requirement, a performance standard that is set by our regulators. Participants are required to retain 50% of the after-tax shares they receive upon the vesting of their PSUs and the exercise of their performance options for twelve months from the vesting or exercise date. The retention rate provides an economic incentive for management to act in ways that maintain risk within acceptable limits during and after the performance period for which the award is earned.

Shareholder Feedback/Results of Shareholder Advisory Vote on Executive Compensation

Since 2009 the Company has annually included in its proxy a separate advisory vote on the compensation paid to its executives, as disclosed in the Compensation Discussion and Analysis, the compensation tables and related proxy disclosure, commonly known as a "say-on-pay" proposal. Our say-on-pay proposals received the majority approval of shareholders every year since 2009. Of the 19,777,449 votes cast on the say-on-pay proposal at the 2014 Annual Meeting (excluding broker non-votes), 19,069,692 votes were cast in favor of the resolution and 587,540 were cast against the resolution. The proposal was approved by a vote of 96.4 percent of the total number of votes cast on the proposal. The Company and the Committee have considered these results and concluded that a significant majority of our shareholders support the Company's executive compensation program.

From time to time, we have also received advice from shareholders and reached out to our largest shareholders to discuss our executive compensation program, our proxy disclosure and corporate governance, bringing their feedback to the Compensation and Governance Committee. This feedback has influenced a number of changes in our executive compensation program in the past few years, including the addition of performance vesting to grants of restricted stock units and more detailed Compensation Discussion and Analysis.

As noted above, in 2014, we continued with the executive compensation program adopted in 2013 in order to promote the Board's comprehensive plan to improve profitability and support our commitment to pay for performance. However, in early 2015, the Committee restructured our executive compensation plan to place greater emphasis on long-term performance and profitability based on emerging opportunities. The Committee will continue to monitor best practices, future advisory votes on executive compensation and other shareholder feedback to guide it in evaluating the alignment of the Company's executive compensation program with the interests of the Company and its shareholders.

2014 COMPENSATION

EXECUTIVE COMPENSATION

The table below sets forth the elements that comprise total compensation for the named executive officers of the Company for the periods indicated.

2014 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	**Salary ($)** [1]	Bonus ($)		**Stock Awards ($)** [2]	**Option Awards ($)** [2]	Non-Stock Incentive Plan Compensation ($)	**All Other Compensation ($)** [3]	Total ($)
Dennis S. Hudson, III	2014	$500,000	—		$ 264	$ 111,168	—	$ 24,669	$636,101
Chairman & Chief	2013	500,000	$ 138	(4)	471,429	46,972	—	26,151	1,044,690
Executive Officer of Seacoast and the Bank	2012	500,000	—		—	—	—	21,197	521,197
William R. Hahl	2014	$310,000	—		$ 264	—	—	$ 27,723	$ 337,987
Executive Vice President &	2013	310,000	—		243,571	$ 12,106	—	23,392	589,069
Chief Financial Officer of Seacoast and the Bank	2012	310,000	—		—	—	—	24,269	334,269
Charles K. Cross, Jr. Executive Vice President, Commercial Banking of the Bank	2014	$257,500	$ 80,000	(5)	$128,956	$55,584	—	$ 28,051	$550,091
David D. Houdeshell	2014	$250,000	$ 35,000	(5)	$264	$ 55,584	—	$ 15,227	$356,075
Executive Vice President &	2013	250,000	—		196,429	10,169	—	12,913	469,511
Chief Credit Officer of Seacoast and the Bank	2012	225,000	—		—	—	—	11,742	236,742
Charles M. Shaffer Executive Vice President, Community Banking of the Bank	2014	$220,000	$48,100	(5)	$ 116,634	$55,584	—	$ 24,550	$464,868

(1) A portion of executive’s base salary included in this number may have been deferred into the Company’s Executive Deferred Compensation Plan, the amounts of which are disclosed in the Nonqualified Deferred Compensation Table for the applicable year. Executive officers who are also directors do not receive any additional compensation for services provided as a director.

(2) Represents the aggregate grant date fair value as of the respective grant date for each award calculated in accordance with FASB ASC Topic 718. The assumptions made in valuing stock awards reported in this column are discussed in Note J to the Company’s audited financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2014. For additional information regarding such grants, see “Compensation Discussion and Analysis – Summary – 2014 Compensation” and “Elements of the 2014 Compensation Program for Executive Officers – Stock Options and Portfolio Stock Awards (Performance-Vesting RSUs).” See also “2014 Grants of Plan-Based Awards” below.

With respect to the PSU awards, the grant date fair value included in the table assumes that target performance is achieved. The maximum value as of the grant date, assuming the highest level of performance will be achieved, for Messrs. Cross and Shaffer is $143,156 and $129,473, respectively.

(3) Additional information regarding other compensation is provided in “2014 Components of All Other Compensation” below.

(4) Bonus available to all employees.

(5) Earned in reporting year, but paid in following year.

2014 COMPONENTS OF ALL OTHER COMPENSATION

	Company Paid Contributions to Retirement Savings Plan		Company Paid Contributions to Executive Deferred	**Premium on Supple-mental**	**Excess Life**			
Name	Match	Discretionary Retirement	**Compensation Plan**[1]	Disability Insurance	Insurance Benefit	Perquisites		Total
Dennis. S. Hudson, III	$ 16,771	$ 2,600	—	$ 2,976	$ 2,322	—		$24,669
William R. Hahl	$ 11,883	$ 2,600	$ 3,100	$ 3,282	$ 6,858	—		$27,723
Charles K. Cross, Jr.	$ 10,449	$ 2,600	—	$ 945	$ 2,322	$ 11,734	(2)	$28,051
David D. Houdeshell	$ 10,000	$ 2,500	—	$ 945	$ 1,242	$ 540	(3)	$15,227
Charles M. Shaffer	$ 8,820	$ 2,400	—	$ 1,540	$ 540	$ 11,250	(4)	$24,550

(1) Earned in reporting year, but contributed in following year. Also reported in the "Nonqualified Deferred Compensation Table."

(2) Includes $9,000 for car allowance, $2,075 for personal use of club membership, and $540 for cell phone allowance.

(3) Cell phone allowance.

(4) Car allowance.

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2014 GRANTS OF PLAN-BASED AWARDS

The following table sets forth certain information concerning plan-based awards granted during 2014 to the named executive officers.

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards Thres-hold (#)	Target (#)	Maxi-mum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options **(#) (1)**	Exercise or Base Price of Option Awards **($/Sh(1))**	Grant Date Fair Value of Stock and Option **Awards (1)** ($)
Dennis S. Hudson, III	12/9/2014				20(2)			$264
	4/29/2014					50,000 (3)	$10.54	$111,168
William R. Hahl	12/9/2014				20(2)			$264
Charles K. Cross, Jr.	8/1/2014 12/9/2014	8,159	9,325	14,104				$94,649