

BANK OF SOUTH CAROLINA CORP
Form DEF 14A
March 08, 2010

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x

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Bank of South Carolina Corporation
(Name of Registrant as Specified In Its Charter)

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

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BANK OF SOUTH CAROLINA CORPORATION
256 Meeting Street
Charleston, South Carolina 29401

PROXY STATEMENT

The Board of Directors of Bank of South Corporation is using this Proxy Statement to solicit Proxies from its shareholders for the Annual Meeting of shareholders. The Company is making this Proxy Statement and the enclosed form of Proxy available to its shareholders on or about March 10, 2010.

The information provided in this Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. The Board encourages you to read it carefully.

INFORMATION ABOUT THE ANNUAL MEETING

Time and Place of the Annual Meeting

The Annual Meeting will be held as follows:

Date:	Tuesday, April 13, 2010
Time:	5:30 p.m. Eastern Standard Time
Place:	Bank of South Carolina Corporation, 256 Meeting Street, Charleston South Carolina

Matters to be Considered at the Annual Meeting

At the meeting you will be asked to consider and vote upon the following proposals:

Proposal 1: Election of seventeen Directors of Bank of South Carolina Corporation to serve until the Company's 2011 Annual Meeting of Shareholders.

Proposal 2: Approval of the 2010 Omnibus Stock Incentive Plan including 300,000 shares to be reserved under this plan.

Proposal 3: Ratification of the appointment of Elliott Davis, LLC as independent certified public accountants for 2010.

Proposal 4: Transaction of such other business as may come before the meeting.

Who is Entitled to Vote?

The Board of Directors of the Company has fixed the close of business on February 26, 2010 as the record date for shareholders entitled to notice of and to vote at the Annual Meeting of shareholders. Only holders of record of Bank of South Carolina Corporation's Common Stock on that date are entitled to notice of and to vote at the Annual Meeting. Each shareholder is entitled to one vote for each share of Bank of South Carolina Corporation Common Stock that the shareholder owns; provided, however, that shareholders have cumulative voting rights for the election of Directors. The right to cumulate votes means that the shareholders are entitled to multiply the number of votes they are entitled to cast by the number of Directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates. On February 26, 2010, there were 4,002,910 shares of Bank of South Carolina Corporation's Common Stock outstanding and entitled to vote at the Annual Meeting.

How Do I Vote at the Annual Meeting?

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Proxies are solicited to provide all shareholders of record on the voting record date an opportunity to vote on matters scheduled for the Annual Meeting and described in these materials. You are a shareholder of record if your shares of Bank of South Carolina Corporation Common Stock are held in your name. If you are a beneficial owner of Bank of South Carolina Corporation Common Stock held by a broker, bank or other nominee (i.e., in “street name”), please see the instructions in the following question.

Shares of Bank of South Carolina Corporation Common Stock can only be voted if the shareholder is present in person or by Proxy at the Annual Meeting. To ensure your representation at the Annual Meeting, the Board recommends that you vote by Proxy even if you plan to attend the Annual Meeting. You can always change your vote at the meeting if you are a shareholder of record.

Voting instructions are included in this material. Shares of Bank of South Carolina Corporation Common Stock represented by properly executed Proxies will be voted by the individuals named on the Proxy (selected by The Board of Directors) in accordance with the shareholder's instructions. Where properly executed Proxies are returned with no specific instructions as how to vote at the Annual Meeting, the persons named in the Proxy will vote the shares "For" the election of each of the Director nominees, "For" the ratification of the appointment of Elliott Davis, LLC and "For" the approval of the Incentive Stock Option Plan. If any other matters are properly presented at the Annual Meeting for action, the persons named in the enclosed Proxy and acting thereunder will have the discretion to vote on these matters in accordance with their best judgment.

As a shareholder of Bank of South Carolina Corporation Common Stock, you may receive more than one Proxy card depending on how your shares are held. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children. In this case, you will receive three separate Proxy cards to vote.

What if My Shares Are Held in Street Name?

If you are a beneficial owner of shares held in street name by a broker, your broker, as the record holder of the shares, is required to vote the share in accordance with your instructions. If your Common Stock is held in street name, you will receive instructions from your broker that you must follow in order to have your shares voted. Your broker may allow or require you to deliver your voting instructions via the telephone or the Internet. Please see the instructions that are provided by your broker. If you do not give your instructions to your broker, your broker may nevertheless vote the shares with respect to discretionary items, but will not be permitted to vote your shares with respect to non-discretionary items. In the case of non-discretionary items, shares not voted are treated as "broker non-votes" and not entitled to vote. The proposal to elect Directors described in this Proxy Statement is considered a non-discretionary item under the rules governing brokers that are members of the New York Stock Exchange; therefore, you must provide instructions to your broker in order to have your shares voted in the election of Directors.

If your shares are held in street name, you will need proof of ownership to be admitted to the Annual Meeting. A recent brokerage statement or letter from the record holder of your shares are examples of proof of ownership. If you want to vote your shares of Common Stock held in street name in person at the Annual Meeting, you will have to get a written Proxy in your name from the broker, bank or other nominee who holds your shares.

The solicitation of Proxies on behalf of the Board of Directors is conducted by Directors, officers and regular employees of the Company and its wholly owned subsidiary, The Bank of South Carolina (the "Bank"), at no additional compensation over regular salaries. The cost of printing and mailing of all Proxy materials has been paid by the Company. Brokers and others involved in handling and forwarding the Proxy materials to their customers having beneficial interests in the stock of the Company registered in the names of Nominees will be reimbursed for their reasonable expenses in doing so.

How Many Shares Must Be Present to Hold the Meeting?

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by Proxy, of at least a majority of the shares of Bank of South Carolina Common Stock entitled to vote at the Annual Meeting as of the record date will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

What if a Quorum is Not Present at the Meeting?

If a quorum is not present at the scheduled time of the meeting, a majority of the shareholders present or represented by Proxy may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given unless the meeting is adjourned for 30 days or more. An adjournment will have no effect on the business that may be conducted at the meeting.

Will Cumulative Voting Apply for the Election of Directors?

The solicitation of Proxies on behalf of the Board of Directors includes a solicitation for discretionary authority to cumulate votes.

May I Revoke My Proxy?

Any Shareholder executing a Proxy for the meeting on the Proxy Form provided may revoke the Proxy in writing delivered to the President of the Company prior to the meeting or by attending the meeting and voting in person.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth, as of February 26, 2010, the voting record date, information regarding share ownership of:

- those persons or entities (or groups of affiliated persons or entities) known by management to beneficially own more than five percent of Bank of South Carolina Corporation's Common Stock;
 - each non-employee Director of Bank of South Carolina Corporation; and
 - each employee Director (including Director nominees) of Bank of South Carolina Corporation

Persons and groups who beneficially own more than five percent of Bank of South Carolina Corporation's Common Stock are required to file with the SEC, and provide a copy to the Company, reports disclosing their ownership pursuant to the Securities Exchange Act of 1934. To the extent known to the Board of Directors of the Company, no other person or entity, other than those set forth below, beneficially owned more than five percent of the outstanding shares of Bank of South Carolina Corporation Common Stock as of the close of business on the voting record date, February 26, 2010.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In accordance with Rule 13d-3 of the Securities Act, a person is deemed to be the beneficial owner of any shares of Common Stock if he or she has voting and/or investment power with respect to those shares. Therefore, the table below includes shares owned by spouses, other immediate family members in trust, shares held in retirement accounts or funds for the benefit of the named individuals, and other forms of ownership over which shares the persons named in the table may possess voting and/or investment power.

Title of class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Hugh C. Lane, Jr. (1) 30 Church Street Charleston, SC 29401	479,521(2)	11.98%
Common Stock	The Bank of South Carolina	219,185(3)	5.48%

Employee Stock Ownership
Plan and Trust ("the ESOP")
256 Meeting Street
Charleston, SC 29401

- (1) To the extent known to the Board of Directors, Beverly G. Jost, Kathleen L. Schenck, Charles G. Lane and Hugh C. Lane Jr., collectively, have beneficial ownership of 649,662 shares or 16.23% of the outstanding shares. As more fully described in the following footnotes, Hugh C. Lane, Jr. is the only one of the above who has a beneficial ownership interest in more than 5% percent of the Company's Common Stock. Hugh C. Lane, Jr. disclaims any beneficial interest in those shares in which other members of his family have a beneficial interest other than those shares his wife owns directly and those for which he serves as Trustee or she serves as custodian (as more fully described in the following footnote).
- (2) To the extent known to the Board of Directors, Hugh C. Lane, Jr., an Executive Officer and Director of the Bank and the Company, directly owns and has sole voting and investment power with respect to 266,000 shares; as Trustee for three trust accounts holding an aggregate of 106,245 shares, he has sole voting and investment power with respect to such shares; as a co-Trustee for two trust accounts holding 2,298 shares, he has joint voting and investment power with respect to such shares; as a Trustee for the Mills Bee Lane Memorial Foundation, he has shared voting and investment power with respect to 9,831 shares; as Trustee for the ESOP, he has joint voting and investment power with respect to 8,000 unallocated shares; he is indirectly beneficial owner of 12,764 shares owned by his wife and an aggregate of 49,915 shares held by his wife as custodian for their son, and 24,468 shares owned by the ESOP in which he has a vested interest. All of the shares beneficially owned by Hugh C. Lane, Jr. are currently owned. Hugh C. Lane, Jr. has had beneficial ownership of more than 5% of the Bank's Common Stock since October 23, 1986, and more than 10% since November 16, 1988.
- (3) The Trustees of the ESOP, Thomas C. Stevenson, III, a Director of the Bank and the Company, Sheryl G. Sharry, an Executive Officer and current nominee for Director of the Bank and the Company and Hugh C. Lane, Jr., an Executive Officer and Director of the Bank and the Company, disclaim beneficial ownership of the 219,185 shares owned by the ESOP with 211,185 shares allocated to members of the plan each of whom under the terms of the plan has the right to direct the Trustees as to the manner in which voting rights are to be exercised. The Trustees have joint voting and investment power with respect to 8,000 unallocated shares held in the ESOP.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Executive Officer Directors and Nominees			
Common Stock	Fleetwood S. Hassell 30 New Street Charleston, SC 29401	64,031(1)	1.60%
Common Stock	William L. Hiott, Jr 1831 Capri Drive Charleston, SC 29407	151,994(1)	3.80%
Common Stock	Hugh C. Lane, Jr. 30 Church Street Charleston, SC 29401	479,521(1)	11.98%
Common Stock	Sheryl G. Sharry 1550 Kentwood Drive James Island, SC 29412	60,309(1)	1.51%

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Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Non-Employee Directors and Nominees			
Common Stock	David W. Bunch 6605 Seewee Road Awendaw, SC 29429	859	.02%
Common Stock	Graham M. Eubank, Jr. 791 Navigators Run Mt. Pleasant, SC 29464	550	.01%
Common Stock	Glen B. Haynes, DVM 101 Drayton Drive Summerville, SC 29464	4,276	.11%
Common Stock	Katherine M. Huger 1 Bishop Gadsden Way, Charleston, SC 29412	8,051(1)	.20%
		C-17	
Common Stock	Richard W. Hutson, Jr. 124 Tradd Street Charleston, SC 29401	1,525	.04%
Common Stock	Charles G. Lane 10 Gillon Street Charleston, SC 29401	183,196(1)	4.58%
Common Stock	Louise J. Maybank 8 Meeting Street Charleston, SC 29401	45,757(1)	1.14%
Common Stock	Dr. Linda J. Bradley McKee, CPA 3401 Waterway Blvd. Isle of Palms, SC 29451	861	.02%
Common Stock	Alan I. Nussbaum, MD 37 Rebellion Road Charleston, SC 29407	703	.02%
Common Stock	Edmund Rhett, Jr., MD 17 Country Club Drive Charleston, SC 29412	3,387(1)	.08%
Common Stock	Malcolm M. Rhodes, MD 7 Guerard Road	1,787	.04%

Charleston, SC 29407

Common Stock	David R. Schools 317 Coinbow Drive Mount Pleasant, SC 29464	100	.003%
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Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Non-Employee Directors and Nominees			
Common Stock	Thomas C. Stevenson, III 173 Tradd Street Charleston, SC 29401	8,731(1)	.22%
Common Stock	All Directors and Executive Officers as a group (17 persons)	977,102	24.41%

(1) To the extent known to the Board of Directors, each of the following Directors and nominees for election as Director (each of whom directly owns and has sole voting and investment power of all shares beneficially owned by him or her except as set forth in this footnote) indirectly owns the following number of shares: Fleetwood S. Hassell – an aggregate of 10,520 shares owned by his wife, held by him as Trustee for the revocable trust of his father, held by him as a co-Trustee with Charles G. Lane for the children of Hugh C. Lane, Jr., and 24,559 shares owned by the ESOP, in which he has a vested interest; William L. Hiott, Jr. - an aggregate of 8,050 shares directly owned by his wife and 23,897 shares owned by the ESOP in which he has a vested interest; Hugh C. Lane, Jr. - an aggregate of 189,053 shares owned by his wife, held by his wife as custodian for their son, held by him as a co-Trustee with Charles G. Lane under one trust for a sister's children, held by him as Trustee under the Hugh C. Lane Trust for the benefit of a grandchild of Hugh C. Lane, held by him as Trustee for the Beverly Glover Lane Trust, held by him as a Trustee for the Hugh C. Lane Irrevocable Trust, held by him as Trustee for the Marital Trust for the benefit of Beverly Glover Lane, held by him as a Trustee of Mills Bee Lane Memorial Foundation, held by him as Trustee of the ESOP (unallocated shares), and 24,468 shares owned by the ESOP in which he has a vested interest; Sheryl G. Sharry 8,000 held by her as Trustee of the ESOP (unallocated shares), and 24,378 shares owned by the ESOP, in which she has a vested interest; Katherine M. Huger - 731 shares owned by her husband; Charles G. Lane - an aggregate of 77,493 shares owned by his wife, held by her as custodian for two of their children, held by him as a co-Trustee with Hugh C. Lane, Jr. under one trust for a sister's children, held by him as a co-Trustee with Fleetwood S. Hassell for the children of Hugh C. Lane, Jr., held by him as co-Trustee under the Irrevocable Trust of Hugh C. Lane and held by him as a Trustee of Mills Bee Lane Memorial Foundation; Louise J. Maybank – 16,356 shares held by her as a co-Trustee for a Family Charitable Trust; Edmund Rhett, Jr., MD - 756 shares owned by his wife; and Thomas C. Stevenson, III- an aggregate of 8,000 shares held by him as Trustee of the ESOP (unallocated shares). All such indirectly owned shares are included in the totals of the number of shares set forth in the above table and beneficially owned by the Directors and nominees.

Section 16A Beneficial Ownership Reporting Compliance

Louise J. Maybank, Director, failed to file one Form 4 in a timely manner.

Equity Compensation Plan Information

The following table summarizes the total outstanding options and the weighted-average exercise price of the Company's equity compensation plan as of December 31, 2009:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Issuance Under Equity Compensation Plans 1
Equity compensation plan approved by shareholders 2	79,087	\$ 11.67	-
Equity compensation plan not approved by shareholders	-	-	-
Total	79,087	\$ 11.67	-

1 In accordance with the 1998 Incentive Stock Option Plan, no options may be granted under this Plan after April 14, 2008. Options granted before this date shall remain valid in accordance with their terms.

2 The number of securities to be issued upon exercise of the outstanding options represents the total outstanding options under the 1998 Incentive Stock Option Plan. As per the agreement the above options shall remain valid in accordance with their terms.

Proposal 1-Election of Directors

The Board of Directors consists of 17 members elected annually. During 2009, C. Ronald Coward resigned from the Board of Directors due to personal reasons. Therefore, the Board of Directors proposes that the 16 nominees described below, each of whom is currently serving as Director, be re-elected for a new term expiring at the 2011 Annual Meeting of Shareholders and until their successors are duly elected and qualified. In addition the Nominating Committee of the Company Board of Directors recommended at its December 17, 2009 meeting to approve Sheryl G. Sharry Executive Vice President of the Bank and Corporation, for nomination to the Board of Directors. This recommendation was approved by the Board of Directors and will be voted on at the 2010 Annual Meeting.

Each of the nominees has consented to be named as a nominee. If any of them should become unavailable to serve as a Director (which is not now expected), the Board may designate a substitute nominee.

The Board of Directors believes that it is necessary for each of the Company's Directors to possess many qualities and skills. When searching for new candidates, the Nominating Committee (Corporate Governance Committee) considers the evolving needs of the Board of Directors and searches for candidates that fill any current or anticipated future gap. The Board of Directors also believes that all Directors must possess a considerable amount of business management (such as experience as Chief Executive or Chief Financial Officer) and educational experience. The Nominating Committee first considers management experience and then considers issues of judgment, background, stature, conflicts of interest, integrity, ethics and commitment to the goal of maximizing shareholder value when considering Director candidates. The Nominating Committee focuses on issues of diversity, such as diversity in gender, race and national origin, education, professional experience and differences in viewpoints and skills. The Nominating Committee does not have a formal policy with respect to diversity; however the Board of Directors and the Nominating Committee believe that it is essential that the Board members represent diverse viewpoints. In considering candidates for the Board of Directors, the Nominating Committee considers the entirety of each candidate's credentials in the context of these standards. With respect to the nomination of continuing Directors for re-election, the individual's contributions to the Board of Directors are also considered.

All Board members bring to the Board of Directors a wealth of leadership experience derived from their extensive business and Board experiences. The process undertaken by the Nominating Committee in recommending qualified Director candidates is described below under "Corporate Governance-Director Nomination Process" (see pages 14 -16 of this Proxy Statement). Certain individual qualifications and skills of our Directors that contribute to the Board of Directors effectiveness as a whole are described in the following paragraphs.

The name of each Nominee designated by the Board of Directors of the Company for election as a Director of the Company and certain information provided by such Nominee to the Company are set forth in the table below. Six of the current Nominees served as initial Directors of the Bank from October 22, 1986, when the Bank's charter was issued until the first Annual Meeting of Shareholders on April 14, 1987, and were elected to serve a one year term at such Annual Meeting. All of the above six Directors of the Bank were elected to serve one-year terms at subsequent Annual Meetings. All of the above six Directors of the Bank were elected Directors of the Company upon its organization in 1995. Alan I. Nussbaum, MD and Edmund Rhett, Jr., MD, were first elected as Directors of the Company during 1999. Dr. Linda J. Bradley McKee, CPA was first elected as a Director of the Company during 2002. They were all re-elected as Directors of the Company to serve one year terms at subsequent Annual Meetings. Graham M. Eubank, Jr., Richard W. Hutson, Jr. and Malcolm M. Rhodes, MD were elected pursuant to the By-Laws of the Company on December 16, 2004, and were elected to serve one year terms at subsequent Annual Meetings. Fleetwood S. Hassell was first elected by the shareholders on April 11, 2006 at the Annual Meeting, and was elected to serve one year terms at subsequent Annual Meetings. Glen B. Haynes, DVM was first elected by the shareholders on April 10, 2007 at the Annual Meeting and was elected to serve a one year term at subsequent Annual Meetings. David W. Bunch and David W. Schools were elected to serve a one year term at the April 14, 2009 Annual Meeting. All of current Nominees, except Sheryl G. Sharry, served as Directors of the Company from April 14, 2009, the date of the last Annual Meeting of Shareholders.

William L. Hiott, Jr., Executive Vice President and Treasurer, has reached the age of retirement and will be retiring from the Company on April 13, 2010. He will remain a nominee for Director and will continue to serve on the Board if re-elected by shareholders at the Annual Meeting April 13, 2010.

The names of the nominees along with their present positions, principal occupations and Directorships held during the past five years, their ages and the year first elected as a Director, are set forth below.

Executive Officer Directors and Nominees

Fleetwood, S. Hassell Age 50 First elected to the Board 2006

Mr. Hassell has been with The Bank of South Carolina since its organization in 1986. He began as an Assistant Vice President for commercial lending and business development. Mr. Hassell held the position of Vice President and Senior Vice President and currently is an Executive Vice President and Senior Lender. Born and raised in Charleston, SC, Mr. Hassell graduated from Porter Gaud High School and earned a BS and MBA from the University of South Carolina School of Business. Mr. Hassell began his banking career in 1983 as a management trainee at the Citizens and Southern National Bank of South Carolina. He was elected to the Board of Directors of the Bank of South Carolina and its parent Company in 2006. In addition to serving on the Board of the Bank and the Company, Mr. Hassell has served on the Boards of the Kidney Foundation, Crime Stoppers, Atlantic Coast Conservation Association, Trident Tech Foundation, Charleston Breakfast Rotary Club (President), Charleston Day School (Treasurer), Porter Gaud School Alumni, and the Preservation Society.

Given Mr. Hassell's experience in banking, his strong background in commercial lending and business development and his current participation and contributions made to the Board of Directors and its committees, the Nominating Committee recommended his re-election to the Board.

William L. Hiott, Jr. Age 65 First elected to the Board 1995

Mr. Hiott has been with The Bank of South Carolina since its organization in 1986. He has served as Executive Vice President and Cashier of the Bank since 1986 and Executive Vice President and Treasurer of the Company since its organization in 1995. He has served on the Board of Directors of The Bank of South Carolina since its organization in 1986 and Bank of South Carolina Corporation since its organization in 1995. Mr. Hiott was born and raised in Colleton County, South Carolina where he graduated from Walterboro High School. He received a BS in Accounting from Charleston Southern University. He is a graduate of South Carolina Bankers School and a graduate of the University of Wisconsin's Bank Administration Graduate School. Mr. Hiott began his banking career at Citizens and Southern National Bank of South Carolina where he held the position of Vice President of Operations. In addition to serving on the Board of the Bank and the Company, Mr. Hiott has served on the Boards of the Harry Hampton Memorial Wildlife Fund (Chairman), SC Nature Conservancy, and the Low Country Open Land Trust (Treasurer). He has also served on the SC Department of Natural Resources Marine Advisory Board (Vice-Chairman), DNR SC Governor's Cup Advisory Board, DNR Waterfowl Advisory Board (Chairman), and the DNR Migratory Waterfowl Stamp Advisory Board (Chairman).

The Nominating Committee recommended Mr. Hiott for re-election to the Board of Directors based on his experience in banking, in-depth knowledge of the financials of the Company, his strong commitment to the local community, and his current contributions to the Board.

Hugh C. Lane, Jr. Age 62 First elected to the Board 1995

Mr. Lane, brother of Charles G. Lane, has been with The Bank of South Carolina since its organization in 1986. He has served as President and Chief Executive Officer of the Bank since 1986 and of the Company since 1995. He has served as Chairman of the Board of Directors of The Bank of South Carolina since its organization in 1986, and Chairman of Bank of South Carolina Corporation since its organization in 1995. Mr. Lane was born in Charleston, SC. He graduated from Choate School in Wallingford, Connecticut and earned a BA in economics from the University of Pennsylvania. Mr. Lane began his banking career at Citizens and Southern National Bank of Georgia in Atlanta. His banking career also included working in the Bond, Leasing and International Departments at the Chemical Bank in New York, City Executive of Citizens and Southern National Bank, Sumter South Carolina, and Executive Vice President, heading the Citizens and Southern National Bank's Southern Region. Mr. Lane also served on the Board of Directors of Citizens and Southern National Bank of South Carolina for 14 years. Mr. Lane serves as an Administrator and Trustee of the Bank of South Carolina Employee Stock Option Plan and Trust. In addition to his responsibilities at The Bank of South Carolina, Mr. Lane has served as a member of the Advisory Committee for the ACE Basin National Estuarine Research Reserve System and is currently Chairman of the Charleston County Conservation Bank Board. He is past chairman of the Board of Trustees of the Belle W. Baruch Foundation, Trustee and Chairman of the Board at Wofford College, Trustee and past Chairman of South Carolina Independent Colleges & Universities, Trustee and past President of Charleston Museum, past Co-Chairman of the Community Relations Committee, past member of Advisory Committee for the Storm Eye Institute of the Medical University of South Carolina, member of the Trident Chamber of Commerce, and past member of the Board of Trident Urban League. He has been the recipient of Honorary Doctorates from Southern University and The Citadel. He has also received the "Distinguished Citizen Award" from Wofford College National Alumni Council, the Avery Citizenship Award for outstanding community service, the Joseph P. Riley Leadership Award, and the Order of the Palmetto presented by the Governor of South Carolina.

The Nominating Committee has recommended the re-election of Hugh C. Lane, Jr. to the Board of Directors based on his background in economics, banking experience, knowledge of the financials of the Company, and his strong commitment to the local community. In addition the Committee considered his current contribution to the Board and his continued devotion to serving the shareholders of the Company.

Sheryl G. Sharry Age 55 First elected to the Board (Nominee 2010)

Mrs. Sharry has been with The Bank of South Carolina since its organization in 1986. She has served as Assistant Vice President – Operations Department, Vice President – Operations & Technology, Senior Vice President – Operations & Technology, and is currently Executive Vice President. Mrs. Sharry serves as an Administrator and Trustee of the Bank of South Carolina Employee Stock Option Plan and Trust. Mrs. Sharry is a nominee for the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation. Mrs. Sharry has lived in South Carolina for 46 years. She is a graduate of the College of Charleston, South Carolina Bankers School, and the School of Bank Investments and Financial Management. Mrs. Sharry started her banking career at Citizens and Southern National Bank of South Carolina where she served as Utility Staff, CSR, teller and CSR trainer, and Operations Officer-Internal Operations Department. Mrs. Sharry has attended classes covering Network Security and Administration, Administration of the Bank’s core software, ITI; Information Technology Risk Assessment, Internet Banking Compliance, Cyber Crime, Liquidity Contingency Planning, and Asset Liability Management and Interest Rate Risk. She is a member of Fiserv Regional Users Group, South Carolina Bankers Association Disaster Recovery Committee, Financial Managers Society, and South Carolina InfrGard.

Sherry Sharry was recommended for election to the Board of Directors by the Nominating Committee based on her strong background in operations and technology of the Company, experience in banking, in-depth knowledge of the financials of the Company, and continued devotion to the success of the Company.

Non-Employee Directors and Nominees

David W. Bunch Age 59 First elected to the Board 2009

Mr. Bunch has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2009. He was born in Charleston, South Carolina and graduated from North Charleston High School and Clemson University. He has been employed by XO Bunch Organizations since 1973, serving as President, Hughes Motors, Inc.; Vice-President, Bunch Leasing Co.; Vice-President, Florence Truck Center, Inc.; Partner, Bunch Truck & Equipment, LLC; Partner, Bunch & Sons-Real Estate; Managing member, Wando Properties, LLC; and President, Double D Leasing Co., Inc. In addition to serving on Board of Directors of the Bank of South Carolina Corporation and The Bank of South Carolina, Mr. Bunch served as Board member of South Carolina Federal Savings Bank. He is a past President of the Rotary Club of North Charleston, a Paul Harris Fellow of the Rotary Club of North Charleston, a member of South Carolina Trucking Association, a member of the Executive Association of Greater Charleston, a member of the Hibernian Society, and a member of North Charleston United Methodist Church.

The Nominating Committee has recommended the re-election of David Bunch to the Board of Directors based on his strong knowledge of business including successfully starting and running several companies, his participation on the Loan Committee, and his service on various Boards with the Company and community.

Graham M. Eubank, Jr. Age 42 First elected to the Board 2005

Mr. Eubank has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2005. He was born in Fayetteville, North Carolina and raised in Charleston South Carolina. He attended private schools and received a BS in Management from Clemson University. He is also a graduate of the National Automobile Dealers Association Dealer Candidate Academy. In 1992 Mr. Eubank began working with his family's business, Palmetto Ford, Inc., where he has held many positions including New Car Sales Manager, Used Car Sales Manager and Parts and Service Director. Currently Mr. Eubank is President and CEO of the Palmetto Car and Truck Group which is comprised of Ford, Lincoln, Mercury, Hyundai, Mama's Used Cars and Quick Lane Auto and Tire Center. In addition to serving on the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation, Mr. Eubank has served on the Board of Carolina Ford Dealer Advertising Association, the Board of the East Cooper Rotary Club and the Board of The Boy Scouts of America. In addition he has served as President of the Trident New Car Dealers Association and Vice President of the South Carolina Automobile Dealers Association.

Graham Eubank has been on the Board of Directors since 2005. He has served on various committees including the Audit Committee, Compensation Committee and the Nominating Committee. His background in business has been an asset to the current Board. For these reasons Mr. Eubank has been recommended for re-election to the Board of Directors by the Nominating Committee.

Glen B. Haynes, DVM Age 55 First elected to the Board 2007

Dr. Haynes has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2007. He was born in Charlottesville, Virginia and has lived in Summerville, South Carolina for 26 years. He is a graduate of Virginia Tech where he received a BS in Biology. He received a DVM from the University of Georgia and attended a South Carolina Bankers School program specific for bank Directors. In addition to serving on the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation, Dr. Haynes has served as President of the Summerville Rotary Club, President of Frances Willis SPCA, Chairman of the South Carolina Board of Veterinary Medical Examiners, and President of Trident Veterinary Medical Association. Dr. Haynes is a member of the American Veterinary Medical Association and a member of St. Paul's Episcopal Church where he served on the vestry.

Dr. Haynes has been committed to the success of the Company, serving on the Audit and Loan Committees for several years. In recommending Dr. Haynes for re-election to the Board of Directors the Nominating Committee considered this experience as well as his strong ties to the Summerville community and his work ethic demonstrated in running his own practice.

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Katherine M. Huger Age 68 First elected to the Board 1995

Mrs. Huger has been a member of the Board of Directors of The Bank of South Carolina since its organization in 1986, and a member of the Board of Directors of the Bank of South Carolina Corporation since its organization in 1995. Born in Buffalo, New York, Mrs. Huger has lived in Charleston, South Carolina for 39 years. Mrs. Huger studied economics, international economic relations and international finance, receiving an AB degree from Bryn Mawr College, and MA and MALD degrees from The Fletcher School of Law and Diplomacy, Tufts University. Mrs. Huger served as an Assistant Professor of Economics at Charleston Southern University from 1972-2004. In addition to serving on the Board of the Bank and the Company, Mrs. Huger has served on the Boards of the Charleston Museum, the Charleston Horticulture Society, the Charleston Foreign Affairs Forum, and the Junior League of Charleston. Currently, she is involved with the Gibbes Art Museum and Water Mission International.

The Nominating Committee has recommended the re-election of Katherine Huger to the Board of Directors. The Committee recognized Mrs. Huger's commitment to the success of the Company as shown by her 24 years of service as well as her willingness to serve on the Audit Committee, Loan Committee, and the Executive/Long range Planning Committee. In addition, her extensive background in economics and finance and her community involvement were factors in the Committee's recommendation.

Richard W. Hutson Age 52 First elected to the Board 2005

Mr. Hutson has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2005. Mr. Hutson was born and raised in Charleston, South Carolina. He majored in economics and received a BA from The University of the South. In addition to serving on the Board of the Bank and the Company, Mr. Hutson has served on the Boards of the SC Historical Society and the Historic Charleston Foundation. In addition, Mr. Hutson has served as President of the SC Historical Society, Commodore of the Carolina Yacht Club, and President of the Charleston Club. Mr. Hutson is the Manager of William M. Means Company Insurance LLC.

Richard Hutson has served on the Audit Committee and the Loan Committee. His experience on these committees, in addition to his business background in running a large insurance company, led the Nominating Committee to recommend Mr. Hutson for re-election to the Board. The Committee also considered his strong ties to the Charleston community and his experience of serving on other Boards.

Charles G. Lane Age 55 First elected to the Board 1995

Mr. Lane has been a member of the Board of Directors of The Bank of South Carolina since its organization in 1986, and a member of the Board of Directors of Bank of South Carolina Corporation since its organization in 1995. Mr. Lane was born and raised in Charleston, South Carolina. He is a graduate of Clemson University. Mr. Lane served on the Advisory Board of Citizens and Southern National Bank of Greenville, South Carolina. In addition, Mr. Lane served on the Boards of Ducks Unlimited, Delta Waterfowl, The Nature Conservancy, The South Carolina Conservation Bank, The Donnelley Foundation, and the ACE Basin Task Force. Mr. Lane has served as Chairman of the Coastal Conservation League Board. Mr. Lane is a Managing Member of Holcombe, Fair and Lane, LLC, a real estate company.

Charles G. Lane, brother of Hugh C. Lane, Jr., has been with the Company since its organization. He has served on the Executive Committee, the Long Range Planning Committee (currently Executive/Long Range Planning), and the Loan Committee. His has devoted 24 years to ensuring the success of the Company. His experiences in the real estate market and the local community have been valuable to the Board in its decision making. Based on these aspects the Nominating Committee has recommended the re-election of Charles Lane to the Board.

Louise J. Maybank Age 70 First elected to the Board 1995

Mrs. Maybank has been a member of the Board of Directors of The Bank of South Carolina since its organization in 1986, and a member of the Board of Directors of Bank of South Carolina Corporation since its organization in 1995. Born in Edgecombe, North Carolina, Mrs. Maybank has lived in Charleston, South Carolina for 51 years. Mrs. Maybank is currently Chairman of the Charleston County Greenbelt Advisory Board. In addition she has served on the Boards of the Lowcountry Open Land Trust, The Historic Charleston Foundation, the City of Charleston's Planning and Zoning Board and the Board of Adjustments. She has been a member of the Coastal Community Foundation, the Junior League of Charleston, and a Trustee of Charleston Day School and Episcopal High School.

Louise J. Maybank has served on the Board of the Bank and the Company since their organization. She has served on the Planning Committee, Loan Committee and the Nominating Committee and has dedicated her time to ensuring the success of the Company. The Nominating Committee considered all of Mrs. Maybank's service to the Company as well as her strong community involvement in recommending her for re-election to the Board.

Linda J. Bradley McKee, PhD, CPA, Age 59 First elected to the Board 2002

Dr. McKee has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2002. Born in Hereford, Texas, Dr. McKee has lived in Charleston for 17 years. Dr. McKee earned a BS in Mathematics from the University of Texas at Arlington, a MS in Accounting from Texas Tech, and a PhD in Accounting from the University of North Texas. She is an Associate Professor of Accounting at the College of Charleston. In addition to serving on the Board of the Bank and the Company, she also served on the Board of Directors of Hospice of Colorado Springs. She served as President of the Charleston Estate Planning Council and Program Director of Charleston Tax Roundtable. Dr. McKee is a member of First Methodist Church. She is also a member of the following professional organizations: AICPA, American Accounting Association, Taxation Division of American Accounting Association, Charleston Estate Planning Council, and Charleston Tax Roundtable.

Dr. McKee is considered by the Board of Directors to be a financial expert under applicable guidelines of the Securities and Exchange Commission. She has an extensive background in accounting and taxation and has been an asset to the Board and the Audit Committee. For the above reasons the Nominating Committee has recommended Dr. McKee for re-election to the Board of Directors.

Alan I. Nussbaum, MD Age 58 First elected to the Board 1999

Dr. Nussbaum has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 1999. Born and raised in Charleston, South Carolina, Dr. Nussbaum graduated from Porter Gaud High School. He received a BA from Johns Hopkins University and a MD from Harvard Medical School. Dr. Nussbaum completed his internship in Internal Medicine at Duke University Medical Center and completed his residency in Internal Medicine from Duke University Medical Center. In addition, Dr. Nussbaum completed a Fellowship in Rheumatology and Immunology from the Medical University of South Carolina. Dr. Nussbaum is a Clinical Associate Professor in the Department of Medicine at the Medical University of South Carolina and has a private practice, Rheumatology Associates, PA. Dr. Nussbaum has served both as Assistant Chairman and Chairman of the Department of Medicine at Roper Hospital. He has served as Chairman of the Quality Management Committee at Roper Hospital and is currently Chairman of the Board of Directors of Roper Hospital. He has served on the Board of the Charleston Community Concert Association, as Vice-President and President of Synagogue Emanu-El, and has been a Board member of the Hebrew Orphan Society.

The Nominating Committee has recommended the re-election of Dr. Alan Nussbaum to the Board of Directors based on the commitment that he has made to the Board, the Executive Committee and the Audit Committee. In addition to having his own medical practice and serving on several Boards in the medical community, Dr. Nussbaum served as Chairman of the Audit Committee and is dedicated to the success of the Company.

Edmund Rhett, Jr., MD Age 62 First elected to the Board 1999

Dr. Rhett has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 1999. Dr. Rhett was born in Charleston, SC and raised in Atlanta, Georgia. He has lived in the Charleston area for 32 years. Dr. Rhett received a BA from The University of the South and a MD from the Medical College of Georgia. He has a private gynecological practice, Edmund Rhett, Jr., PA. Dr. Rhett has been on the Board of Directors of the Canterbury house for 27 years and has served as President of its Board for 15 years. In addition he has served on the Boards of both the East Cooper Regional Medical Center and Charleston Day School. Dr. Rhett is a member of the Carolina Yacht Club and the Country Club of Charleston.

The Nominating Committee has recommended Dr. Rhett for election to the Board of Directors. Dr. Rhett has served on the Board since 1999. He has served on the Mount Pleasant local Advisory Board in addition to serving on the Nominating Committee, Audit Committee and the Loan Committee. He has a successful private gynecological practice and has committed 27 years to serving on the Board of the Canterbury House. His success in running his practice and dedication to service of the local community were very important considerations in the Nominating

Committee's recommendation.

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Malcolm M. Rhodes, MD Age 51 First elected to the Board 2005

Dr. Rhodes has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2005. Born and raised in Charleston, South Carolina, Dr. Rhodes graduated from Porter Gaud High School. He received a BA from Duke University and a MD from the Medical University of South Carolina. He is a Fellow of the American Board of Pediatrics and has been a partner at Parkwood Pediatric Group since 1988. He is on the clinical faculty at MUSC and active staff at Roper and Bon-Secours St. Francis Hospitals, serving on the Credentials Committee. He and his wife own The Charleston Angler. In addition to serving on the Board of Directors of the Bank and the Company, Dr. Rhodes currently represents South Carolina on the Atlantic States Marine Fisheries Commission where he is Chairman of the Governor's Appointees, serves on the Executive Committee and Administrative Oversight Committee and chairs the Shad and River Herring Board. He is a Trustee of Ashley Hall School and treasurer of the Carolina Gold Rice Foundation. He is on the Executive Committee of The Agricultural Society of South Carolina and the SC State Board of Coastal Conservation Association. He has served as a Trustee of Charleston Stage Company and on the vestry of St. Philip's Church where he is still actively involved.

The Nominating Committee has recommended the re-election of Dr. Rhodes to the Board of Directors based on the commitment that Dr. Rhodes has made to the Board and the Audit Committee. In addition the Nominating Committee also considered Dr. Rhodes' knowledge of business including running a medical practice and serving on staff of several local hospitals. Dr. Rhodes currently serves as Chairman of the Audit Committee and is dedicated to the success of the Company.

David R. Schools Age 51 First elected to the Board 2009

Mr. Schools has been a member of the Board of Directors of The Bank of South Carolina and Bank of South Carolina Corporation since 2009. Born and raised in Charleston, South Carolina, Mr. Schools graduated from Porter Gaud High school. He received his BA from the College of Charleston. Currently, Mr. Schools is President and CEO of Piggly Wiggly Carolina Company. In addition to serving on the Board of the Bank and the Company, Mr. Schools is a member of the Boards of Greenbax Enterprises, Charleston Metro Chamber of Commerce, Trident United Way, and an Advisory Board member of the Dee Norton Lowcountry Children's Center. He is a past member of the Board of Directors of the South Carolina Chamber of Commerce. Mr. Schools is a member of Carolina Food Industry Council.

Given Mr. Schools significant background and extensive experience in the food and grocery industry and outstanding community involvement, Mr. Schools has been recommended by the Nominating Committee for re-election to the Board. The Nominating Committee also considered his contributions made to the Board and the Audit Committee.

Thomas C. Stevenson, III Age 59 First elected to Board 1995

Mr. Stevenson has been a member of the Board of Directors of The Bank of South Carolina since its organization in 1986, and a member of the Board of Directors of Bank of South Carolina Corporation since its organization in 1995. Born and raised in Charleston, South Carolina, Mr. Stevenson received his BA from The University of the South. Currently, Mr. Stevenson is President of Fabtech, Inc. In addition to serving on the Board of the Bank and the Company, Mr. Stevenson has served on the Boards of Ashley Hall School, Christ School, and Trident Technical College. He has served on the Board and as Vice-President of Finance for the Chamber of Commerce. He is a member of the Low Country Manufacturers Council and the South Carolina Manufacturers Council.

The Nominating Committee has recommended Thomas C. Stevenson, III for re-election to the Board of Directors. Mr. Stevenson has been a Board member since its organization. He has served on the Audit Committee, Compensation Committee, Executive Committee, and is the current Chairman of the Loan Committee. Mr. Stevenson also serves as an Administrator and Trustee of the Bank of South Carolina Employee Stock Option Plan and Trust. His experience in running a successful company as well as his service to local community Boards were important qualifications the Nominating Committee felt were beneficial to the Board.

No Director or Executive Officer was involved in any legal proceedings, nor have any members been convicted in criminal proceedings in the past 10 years. In addition there are no pending legal proceedings against any Executive Officer or Director.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE MATTERS

Board of Directors

Bank of South Carolina Corporation's Board of Directors conducts its business through Board meetings and through its committees. Hugh C. Lane, Jr. presently serves as Chairman of the Board of Directors. The Board of Directors of the Company held 6 meetings (including all regularly scheduled and special meetings) during the year ended December 31, 2009. No Directors attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which they served.

Board Leadership Structure

The Board believes that the Company's President and Chief Executive Officer is best situated to serve as Chairman because he is the Director most familiar with the Company's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Independent Directors and management have different perspectives and roles in strategy development. The Company's independent Directors bring experience, oversight and expertise from outside the Company and industry, while the Chief Executive Officer brings Company-specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer promotes strategy development and executions, and facilitates information flow between management and the Board, which are essential to effective governance.

One of the key responsibilities of the Board is to develop strategic direction and hold management accountable for the execution of strategy once it is developed. The Board believes the combined role of Chairman and Chief Executive Officer together with an independent Lead Director having the duties described below is the best interest of stockholders as it provides the appropriate balance between strategy development and independent oversight of management.

Lead Director

Thomas C. Stevenson, III, an independent Director who serves as Chairman of the Loan Committee, was selected by the Board of Directors to serve as the Lead Director for all meetings of the non-management Directors held in Executive Session. Non-management Directors of the Board are required to meet on a regular scheduled basis without the presence of management (IM-5605-2 NASDAQ Corporate Governance Rules). The Lead Director chairs these sessions.

Risk Management

The Board has an active role, as a whole and also at the committee level, in overseeing the management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. The Audit Committee oversees the management of financial risks. The Nominating Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

Committees and Committee Charters

The Board has four committees: the Executive/Long-Range Planning Committee, the Compensation Committee, the Nominating Committee, and the Audit and Compliance Committee. Each Committee serves in a dual capacity as a

Committee of the Company and the Bank.

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The following table lists the membership of the standing committees of the Board of Directors.

Director	Audit/Compliance	Executive/Long-Range Planning	Compensation Committee	Nominating Committee
David W. Bunch				
Graham M. Eubank, Jr.	X		X	X
Fleetwood S. Hassell		X		
Glen B. Haynes, DVM	X			
William L. Hiott, Jr.		X		
Katherine M. Huger				
Richard W. Hutson, Jr.	X			
Charles G. Lane		X		
Hugh C. Lane, Jr.		X		
Louise J. Maybank		X		X
Dr. Linda J. Bradley McKee	X			
Alan I. Nussbaum, MD	X	X		
Edmund Rhett, Jr., MD				X
Malcolm M. Rhodes, MD	X			
David R. Schools	X			X
Sheryl G. Sharry				
Thomas C. Stevenson, III		X	X	

The Audit and Compliance Committee (the “Audit Committee”) presently consists of seven members of the Board of Directors. During 2009, the Audit Committee held 5 meetings. The Audit Committee operates under a written Charter adopted by the Board of Directors. The Charter was attached as Exhibit A to the 2004 Proxy Statement. Members are considered to be independent of the Company under applicable rules and regulations, including Rule 4200(a) (15) of the National Association of Securities Dealers. The Board of Directors has determined that Linda J. Bradley McKee, PhD CPA, a member of the Audit Compliance Committee, qualifies as an Audit Committee financial expert under the applicable guidelines of the Securities and Exchange Act.

The Audit Committee has the responsibility of reviewing the Company’s financial statements, evaluating internal accounting controls, reviewing reports of regulatory authorities, and determining that all examinations required by law are performed. The Committee recommends to the Board of Directors the appointment of the independent auditors for the next fiscal year, reviews and approves the auditors’ audit plan, and reviews with the independent auditors the results of the audit and management’s response. The Board of Directors has adopted an Audit Committee Charter, which outlines the Committee’s responsibilities for overseeing the entire audit function and appraising the effectiveness of internal and external audit efforts. The Charter amended by the Board of Directors at any time.

The Executive/Long-Range Planning Committee consists of the President of the Company and six designated Directors. The President of the Company chairs the Committee. During 2009, the Executive/long-Range Planning Committee held 4 meetings. In addition to long-range and strategic planning, the principal function of the Committee is to exercise all authority of the Board of Directors in the management and affairs of the Company and the Bank. In addition, the Committee acts on behalf of the entire Board of the Company between the regular Board Meetings.

The Compensation Committee consists of independent Directors of the Company. The function of the Compensation Committee is to recommend the compensation of Executive Officers to the Directors of the Company. The Compensation Committee does not use the services of a compensation consultant. The Committee reviews the salaries of individuals with similar positions at similar sized banks within South Carolina. The Compensation Committee met 1 time in 2009.

The Nominating Committee consists of independent Directors of the Company. The function of the Nominating Committee is to recommend a slate of proposed Directors to the Board of Directors of the Company. The Nominating Committee has adopted a written Charter. A copy of this charter may be obtained at the Company's internet website www.banksc.com. The Nominating Committee met 3 times during 2009.

Nominations, other than those made by the Nominating Committee of the Company, shall be made in writing and shall be delivered or mailed to the President of the Company not less than 14 days nor more than 50 days prior to any meeting of Shareholders calling for election of Directors; provided however, that if less than 21 days notice of the meeting is given to Shareholders, such nomination shall be mailed or delivered to the President of the Company not later than the close of business on the 7th day following the day on which the Notice of Meeting was mailed. Nominations not made according to these procedures will be disregarded.

The Nominating Committee has a policy with regard to consideration of any Director candidates recommended by security holders and that policy is to consider any and all such recommendations. The Nominating Committee has adopted specific minimum qualifications which the Nominating Committee believes must be met by a Nominating Committee recommended Nominee for a position on the Company's Board of Directors, and those are that such Nominee must be generally recognized as successful in such Nominee's business or community efforts, have a generally recognized reputation for honesty and integrity, have demonstrated such Nominee's commitment to the community in which the Company and its subsidiary Bank operates and have demonstrated in meetings with the Nominating Committee such Nominee's commitment to the best interests of the Company, its subsidiary Bank, and their officers, Directors, employees and shareholders. The Nominating Committee's process for identifying and evaluating Nominees for Director of the Company and its subsidiary Bank, including Nominees recommended by security holders, is to investigate whether or not such Nominee meets the specific minimum qualifications adopted as a policy by the Nominating Committee through contacts the members of the Nominating Committee have in their community. There are no differences in the manner in which the Nominating Committee evaluates Nominees for Director based on whether the Nominee is recommended by a security holder.

The Company does not utilize or pay a fee to any third party (compensation consultant) to evaluate Nominees for Director.

Director Independence The Board is comprised of a majority (75%) of independent Directors in compliance with SEC and NASDAQ rules. All members of the Audit and Compliance Committee, the Compensation Committee, and the Nominating Committee are independent pursuant to SEC and NASDAQ rules. The members of these committees do not have any relationship to The Bank of South Carolina or Bank of South Carolina Corporation that may interfere with the exercise of their independence from management. None of the members of these committees are current or former officers or employees of The Bank of South Carolina or Bank of South Carolina Corporation. All members of the Board are independent except Hugh C. Lane, Jr., President and Chief Executive Officer, William L. Hiott, Jr., Executive Vice President and Treasurer, Fleetwood S. Hassell, Executive Vice President and Charles G. Lane, brother of Hugh C. Lane.

Code of Business Conduct and Ethics A Code of Ethics for officers, Directors and employees was attached to the 2004 10KSB. The Code of Ethics requires the officers, Directors and employees to maintain the highest standards of professional ethical conduct. The Code includes guidelines relating to the ethical handling of actual or potential conflicts of interest, compliance with laws, accurate financial reporting and procedures for promoting compliance with, and reporting violations of the Code.

Shareholder Communication with the Board of Directors The Board of Directors has adopted a process by which security holders may send communications to the Board of Directors of the Company. That process is for any security holder to send a written communication to Hugh C. Lane, Jr., President, Bank of South Carolina Corporation, 256 Meeting Street, Charleston, South Carolina 29401, or to fax such communication to Hugh C. Lane, Jr., President, at (843) 724-1513. A security holder is free to address any communication to any Director at the address of such Director set forth in this Proxy Statement. Any communication from a security holder received by the President shall be sent to all Members of the Executive Committee and, if any member of the Executive Committee so directs, will be sent to all members of the Board of Directors.

In addition, any shareholder or interested party who has any concerns or complaints relating to accounting, internal accounting controls or auditing matters, may contact the Audit Committee by writing the following address:

Bank of South Carolina Corporation Audit Committee
c/o Malcolm M. Rhodes, MD., Chairman
Bank of South Carolina Corporation
256 Meeting Street
Charleston, SC 29401

Annual Meeting Attendance by Directors Directors are expected to attend the Annual Meeting of shareholders, but the Company does not have a formal policy regarding attendance.

Related Party Transactions The Company does not have any existing continuing contractual relationships with any Director, Nominee for election as Director or Executive Officer of the Company or the Bank, or any Shareholder owning, directly or indirectly, more than 5% of the shares of Common Stock of the Company, or any associate of the foregoing persons. Directors, Executive Officers, Nominees for election as Directors, and members of the immediate family of any of the foregoing have had in the past, have at present, and will have in the future, customer relationships with the Bank. Such transactions have been and will continue to be made in the ordinary course of business, made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and such transactions did not and will not involve more than the normal risk of collectability or present other unfavorable features.

DIRECTORS' COMPENSATION

The following table sets forth the information regarding the compensation earned by each Director who served on the Board of Directors during the year ended December 31, 2009. The officers of the Corporation other than the Secretary, do not receive payment for their participation on the Board or its Committees.

Transactions and Relations with Directors, Executive Officers, and their Associates and Affiliates of Directors

NAME	DIRECTOR COMPENSATION		TOTAL
	FEES EARNED OR PAID IN CASH		
David W. Bunch	\$	4,350	\$ 4,350
C. Ronald Coward (Resigned)	\$	3,400	\$ 3,400
Graham M. Eubank, Jr.	\$	5,100	\$ 5,100
Fleetwood S. Hassell		-	-
Glen B. Haynes, DVM	\$	7,450	\$ 7,450
William L. Hiott, Jr.		-	-
Katherine M. Huger	\$	6,300	\$ 6,300
Richard W. Hutson, Jr.	\$	4,650	\$ 4,650
Charles G. Lane, Jr.	\$	6,350	\$ 6,350
Hugh C. Lane, Jr.		-	-
Louise J. Maybank	\$	6,450	\$ 6,450
Dr. Linda J. Bradley McKee, CPA	\$	4,800	\$ 4,800
Alan I. Nussbaum, MD	\$	6,550	\$ 6,550
Edmund Rhett, Jr. MD	\$	6,100	\$ 6,100
Malcolm M. Rhodes, MD	\$	5,350	\$ 5,350
David R. Schools	\$	3,000	\$ 3,000
Thomas C. Stevenson, III	\$	6,900	\$ 6,900

Non-Executive-Officer Directors of the Company received \$150.00 for each meeting of the Board of Directors of the Company attended and non-officer Directors of the Bank received \$300.00 for each meeting of the Board of Directors of the Bank attended and \$150.00 for each Company or Bank Board Committee meeting attended.

Executive Compensation-Compensation Discussion and Analysis

The following table sets forth all remuneration (including remuneration under any contract, authorization or arrangement, whether or not set forth in a formal document) paid during the years ended December 31, 2009, 2008 and 2007 by the Bank to the three Executive Officers of the Company and the Bank, and one retired Executive Officer of the Company and Bank, whose cash remuneration from the Bank exceeded \$100,000.00 dollars for their services in all capacities. Such Executive Officers receive no compensation from the Company as Executive Officers or as Directors or in any other capacity.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (1)	Bonus (2)	Stock Awards (3)	Option Awards (4)	Non-Equity Incentive Plan Compensation (5)	Nonqualified Deferred Compensation Earnings (5)	All Other Compensation (5)	Total
Hugh C. Lane, Jr. President and Chief Executive Officer	2009	210,101.45	100.00					6,676.21	216,877.66
	2008	210,101.45	100.00					19,572.15	229,773.60
	2007	200,001.37	1,600.00					18,136.27	219,737.64
William L. Hiott, Jr. Executive Vice President and Treasurer	2009	180,101.45	100.00					5,722.92	185,924.37
	2008	180,101.45	100.00					16,777.48	196,978.93
	2007	175,001.53	1,600.00					15,887.26	192,488.79
Fleetwood S. Hassell Executive Vice President	2009	145,101.29	100.00					4,610.75	149,812.04
	2008	145,101.29	100.00					13,517.02	158,718.31
	2007	135,001.45	1,600.00					12,288.81	148,890.26
Nathaniel I. Ball, III Retired Executive Vice President and Secretary (6)	2009							0.00	0.00
	2008							0.00	0.00
	2007							140,600.00	140,600.00

Sheryl G.

Sharry (7)	2009	127,301.45	100.00	4,036.56	131,438.01
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- 1) The Compensation Committee consisting of Graham M. Eubank, Jr., and Thomas C. Stevenson, compared salaries for similar positions at similar sized banks within South Carolina as well as the overall bank and individual performance. Once the salary levels were established by the Compensation Committee, the salaries were recommended to the Board of Directors for approval.
- 2) The bonus consists of a \$100 bonus presented to all employees at Christmas in 2009, 2008 and 2007 and a \$1,500 bonus presented in January 2007 to all employees employed before July 1, 2006.
- 3) The Company did not issue any stock to its Executive Officers during the years ended December 31, 2009, 2008 or 2007.
- 4) There were no options granted in 2009 to any employees. There were no options granted to any Executive Officer in 2008 or 2007.
- 5) On November 2, 1989, the Bank adopted an Employee Stock Ownership Plan and Trust Agreement (the "Plan") to provide retirement benefits to eligible employees for long and faithful service. The other compensation represents the amount contributed to the Bank's ESOP. (See table and discussion below for other compensation.)

- 6) Nathaniel I. Ball, III, retired on July 31, 2005. The amount reported in 2007 represents severance pay.
- 7) Sheryl G. Sharry was promoted to Executive Vice President on January 21, 2010.

All Other Compensation

The Following table sets forth details of “All Other Compensation” as presented above in the Summary Compensation Table.

Name	Employee Stock Ownership Plan	Total
Hugh C. Lane, Jr.	6,676.21	6,676.21