

DEFM14A 1 d476583ddefm14a.htm DEFM14A

[Table of Contents](#)

---

---

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

---

**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 ☒ 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 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

**SUNSHINE BANCORP, INC.**  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

---

[Table of Contents](#)**MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT**

To the Stockholders of Sunshine Bancorp, Inc.:

On August 12, 2017, Sunshine Bancorp, Inc., or "Sunshine", and CenterState Bank Corporation, or "CenterState", entered into an Agreement and Plan of Merger, which we refer to as the "merger agreement," that provides for the merger of Sunshine with and into CenterState, with CenterState as the surviving company, which transaction we refer to as the "merger." Immediately after the merger, Sunshine Bank, a federal stock savings bank and wholly owned subsidiary of Sunshine, will merge with and into CenterState Bank, N.A., a national banking association and wholly owned subsidiary of CenterState, with CenterState Bank as the surviving bank, which we refer to as the "bank merger." Before the merger can be completed, Sunshine stockholders must approve the merger agreement and the transactions provided for therein, which we refer to collectively as the "merger proposal."

In the merger, each share of Sunshine common stock will be converted into the right to receive 0.89 shares of CenterState common stock, which we refer to as the "merger consideration". Based on the \$23.93 closing price of CenterState common stock on the NASDAQ Stock Market, or "NASDAQ", on August 11, 2017, the last trading day before public announcement of the merger, the 0.89 exchange ratio represented \$21.30 in value for each share of Sunshine common stock, and approximately \$176.8 million in aggregate value. Based on the closing stock price of CenterState common stock on NASDAQ on October 9, 2017, the latest practicable date before the date of this proxy statement/prospectus, the merger consideration represented approximately \$23.93 in value for each share of Sunshine common stock and approximately \$199.8 million in aggregate value. The CenterState common stock is traded on NASDAQ under the symbol "CSFL." The Sunshine common stock is traded on NASDAQ under the symbol "SBCP." The market prices for both CenterState common stock and Sunshine common stock will fluctuate before the merger. We urge you to obtain current market prices for both CenterState common stock and Sunshine common stock. Based on the 0.89 exchange ratio and the number of shares of Sunshine common stock outstanding, including restricted stock awards, and shares reserved for issuance under various stock options as of September 15, 2017, the maximum number of shares of CenterState common stock issuable in the merger is 7,778,349.

Sunshine may terminate the merger agreement if the average closing price of CenterState common stock over a specified period prior to completion of the merger decreases below certain specified thresholds unless CenterState elects to increase the merger consideration through the payment of additional cash and/or by increasing the exchange ratio as discussed in further detail on pages 13 and 99 of this proxy statement/prospectus.

Sunshine will hold a special meeting of its stockholders to approve the merger proposal. The special meeting of stockholders is scheduled to be held on November 17, 2017 at Sunshine Bank located at 102 West Baker Street, Plant City, Florida 33563 at 9:00 a.m., local time. No vote of CenterState shareholders is required to complete the merger. This document, which serves as Sunshine's proxy statement for the special meeting of its stockholders and as a prospectus for the shares of CenterState common stock to be issued in the merger to Sunshine stockholders, gives you detailed information about the special meeting and the merger. The merger cannot be completed unless all closing conditions have been met, including receipt of required regulatory approvals and approval of the merger proposal by the stockholders of Sunshine. Sunshine is asking its stockholders to consider and vote on the merger proposal at a special meeting of stockholders and also on a proposal to adjourn the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes to approve the merger proposal at the time of the special meeting, which we refer to as the "adjournment proposal." Approval of the merger proposal requires the affirmative vote of the holders of the majority of the outstanding shares of Sunshine common stock.

Whether or not you plan to attend the special meeting, please take the time to vote by following the voting instructions included in the enclosed proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** the merger proposal and **FOR** the adjournment proposal. Not voting your shares as instructed in the enclosed proxy card, or not instructing your broker how to vote shares held by you in "street name" will have the same effect as a vote *against* the merger proposal, but will have no effect on the adjournment proposal.

**The Sunshine board of directors unanimously recommends that Sunshine stockholders vote "FOR" approval of the merger proposal and "FOR" the approval of the adjournment proposal.**

You should read carefully this entire proxy statement/prospectus, including the appendices hereto and the documents incorporated by reference herein, because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information set forth under "[Risk Factors](#)" beginning on page 35, which discusses the risks relating to the proposed merger.**

On behalf of the Sunshine board of directors, thank you for your prompt attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "AS Samuel", is written over a horizontal line.

Andrew S. Samuel  
President and Chief Executive Officer  
Sunshine Bancorp, Inc.

**The shares of CenterState common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of CenterState or Sunshine, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated October 13, 2017, and is being first mailed to Sunshine stockholders on or about October 17, 2017.

[Table of Contents](#)

SUNSHINE BANCORP, INC.  
102 WEST BAKER STREET  
PLANT CITY, FLORIDA 33563  
(813) 752-6193

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON NOVEMBER 17, 2017**

TO THE STOCKHOLDERS OF SUNSHINE BANCORP, INC.:

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of Sunshine Bancorp, Inc. ("Sunshine") will be held at Sunshine Bank located at 102 West Baker Street, Plant City, Florida 33563 on November 17, 2017, at 9:00 a.m., local time, to consider and vote on:

1. Approve Agreement and Plan of Merger. A proposal to approve the Agreement and Plan of Merger, dated August 12, 2017 (the "merger agreement"), by and between Sunshine and CenterState Bank Corporation ("CenterState"), pursuant to which Sunshine will merge with and into CenterState with CenterState as the surviving company, subject to the terms and conditions contained in the merger agreement, including the transactions provided for in the merger agreement (referred to collectively as the "merger proposal"), as more fully described in the attached proxy statement/prospectus. A copy of the merger agreement is attached in Appendix A to this document; and
2. Adjourn or postpone the Special Meeting. A proposal to approve one or more adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger proposal (referred to as the "adjournment proposal").

We have fixed the close of business on October 9, 2017 as the record date for the special meeting. Only Sunshine stockholders of record on that date are entitled to notice of, and to vote at, the special meeting. Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Sunshine common stock.

The Sunshine board of directors has unanimously approved the merger agreement and has determined that the merger, as set forth in the merger agreement and the terms and conditions set forth in the merger agreement, are in the best interests of, Sunshine and its stockholders. **The Sunshine board of directors unanimously recommends that Sunshine stockholders vote "FOR" approval of the merger proposal and "FOR" the adjournment proposal, if necessary.**

**Your vote is very important.** We cannot complete the proposed merger unless Sunshine stockholders approve the merger proposal.

The attached proxy statement/prospectus provides a detailed description of the special meeting, the merger agreement, the adjournment proposal, the documents related to the merger, and other related matters. We urge you to read carefully the proxy statement/prospectus, including the appendices and any documents incorporated by reference.

You are cordially invited to attend the special meeting in person. Regardless of whether you plan to attend the special meeting, please vote, sign, date and return the enclosed proxy card in the self-addressed envelope as soon as possible. No additional postage is required if mailed within the United States. Alternatively, you may vote through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions. If you choose to attend the special meeting, then you may vote your shares in person, even if you have previously signed and returned your proxy card or voted via the Internet or by telephone. If you hold your Sunshine shares through a bank, broker or other nominee (commonly referred to as held in "street name"), then you must direct your bank, broker or other nominee to vote in accordance with the instructions you have received from them. You may revoke your proxy at any time prior to the special meeting as specified in the accompanying proxy statement/prospectus.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "AS Samuel", is written over a horizontal line.

Andrew S. Samuel  
President and Chief Executive Officer  
October 17, 2017

[Table of Contents](#)**YOUR VOTE IS VERY IMPORTANT**

**WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE VOTE BY USING THE INTERNET, BY TELEPHONE, OR BY COMPLETING, DATING, AND SIGNING THE ENCLOSED FORM OF PROXY AND RETURNING IT IN THE ENCLOSED RETURN ENVELOPE IN ORDER TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED AT THE SPECIAL MEETING. THE AFFIRMATIVE VOTE OF HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF SUNSHINE COMMON STOCK IS REQUIRED FOR APPROVAL OF THE MERGER PROPOSAL.**

[Table of Contents](#)**WHERE YOU CAN FIND MORE INFORMATION**

Both CenterState and Sunshine are subject to the information requirements of the Securities Exchange Act of 1934, as amended, which means that they are both required to file certain reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the “SEC”). You may read and copy any materials that CenterState or Sunshine file with the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. In addition, CenterState and Sunshine file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from CenterState by accessing CenterState’s website at [www.centerstatebanks.com](http://www.centerstatebanks.com), and from Sunshine by accessing Sunshine’s website at [www.mysunshinebank.com](http://www.mysunshinebank.com). Except as specifically incorporated by reference into this proxy statement/prospectus, information on those websites or filed with the SEC is not a part of this proxy statement/prospectus. Copies of these documents can also be obtained, free of charge, by directing a written request to:

CenterState Bank Corporation  
1101 First Street South  
Winter Haven, Florida 33880  
Attn: Corporate Secretary

Sunshine Bancorp, Inc.  
102 West Baker Street  
Plant City, Florida 33563  
Attn: Corporate Secretary

CenterState has filed a Registration Statement on Form S-4 to register with the SEC up to 7,778,349 shares of CenterState common stock to be issued pursuant to the merger. This proxy statement/prospectus is a part of that Registration Statement on Form S-4. As permitted by SEC rules, this proxy statement/prospectus does not contain all of the information included in the Registration Statement on Form S-4 or in the exhibits or schedules to the Registration Statement on Form S-4. You may read and copy the Registration Statement on Form S-4, including any amendments, schedules and exhibits, at the SEC’s Public Reference Room at the address set forth above. The Registration Statement on Form S-4, including any amendments, schedules and exhibits, is also available, free of charge, by accessing the websites of the SEC or CenterState or upon written request to CenterState or Sunshine at the addresses set forth above.

Statements contained in this proxy statement/prospectus as to the contents of any contract or other documents referred to in this proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the Registration Statement on Form S-4. This proxy statement/prospectus incorporates important business and financial information about CenterState and Sunshine that is not included in or delivered with this document, including incorporating by reference documents that CenterState and Sunshine have previously filed with the SEC. These documents contain important information about CenterState and Sunshine and their financial condition. See “Documents Incorporated by Reference.” These documents are available free of charge upon written request to CenterState and Sunshine at the addresses listed above.

To obtain timely delivery of these documents, you must request them no later than November 10, 2017 in order to receive them before the special meeting of stockholders.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.** CenterState supplied all information contained in, or incorporated by reference into, this proxy statement/prospectus relating to CenterState, and Sunshine supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Sunshine.

You should rely only on the information contained in, or incorporated by reference into, this proxy statement/prospectus. No one has been authorized to provide you with information that is different from what is contained in this proxy statement/prospectus. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than the date of this proxy statement/prospectus, and neither

[Table of Contents](#)

the mailing of this proxy statement/prospectus to Sunshine stockholders nor the issuance of CenterState common stock in the merger shall create any implication to the contrary.

**No person has been authorized to give any information or make any representation about the merger or Sunshine or CenterState that differs from, or adds to, the information in this proxy statement/prospectus or in documents that are publicly filed with the Securities and Exchange Commission. Therefore, if anyone does give you different or additional information, you should not rely on it.**

[Table of Contents](#)

## TABLE OF CONTENTS

<a href="#">QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</a>	<a href="#">Page</a> 1
<a href="#">SUMMARY</a>	6
<a href="#">Risk Factors</a>	6
<a href="#">Information Regarding CenterState and Sunshine</a>	6
<a href="#">Pending Acquisition of HCBF Holding Company, Inc.</a>	6
<a href="#">Sunshine Special Meeting</a>	7
<a href="#">The Merger</a>	7
<a href="#">Merger Consideration</a>	8
<a href="#">Equivalent Sunshine Per Share Value</a>	8
<a href="#">Closing and Effective Time of the Merger</a>	8
<a href="#">Surrender of Stock Certificates</a>	9
<a href="#">Recommendation of the Sunshine Board of Directors</a>	9
<a href="#">Opinion of Hovde Group, LLC, Financial Advisor of Sunshine</a>	9
<a href="#">Material U.S. Federal Income Tax Consequences of the Merger</a>	9
<a href="#">Interests of Sunshine Directors and Executive Officers in the Merger</a>	10
<a href="#">Treatment of Sunshine Equity Compensation</a>	10
<a href="#">Conditions to Completion of the Merger</a>	11
<a href="#">Regulatory Approvals Required for the Merger</a>	11
<a href="#">Third Party Proposals</a>	12
<a href="#">Termination</a>	12
<a href="#">Termination Fee and Expenses</a>	13
<a href="#">Accounting Treatment</a>	13
<a href="#">Dissenters' Rights</a>	13
<a href="#">NASDAQ Listing</a>	13
<a href="#">Resale of CenterState Common Stock</a>	13
<a href="#">Market Prices and Dividend Information</a>	14
<a href="#">Comparative Rights of CenterState Shareholders and Sunshine Stockholders</a>	15
<a href="#">Litigation Relating to the Merger</a>	15
<a href="#">SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CENTERSTATE</a>	16
<a href="#">SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SUNSHINE</a>	18
<a href="#">UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION</a>	20
<a href="#">RISK FACTORS</a>	35
<a href="#">CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</a>	43
<a href="#">HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</a>	45
<a href="#">COMPARATIVE PER SHARE MARKET PRICES AND DIVIDEND INFORMATION</a>	47
<a href="#">INFORMATION ABOUT THE SUNSHINE SPECIAL MEETING</a>	48
<a href="#">Time, Date, and Place</a>	48
<a href="#">Matters to be Considered at the Meeting</a>	48
<a href="#">Recommendation of the Sunshine Board of Directors</a>	48
<a href="#">Record Date and Quorum</a>	48
<a href="#">Required Vote</a>	49
<a href="#">Shares Subject to Voting Agreements; Shares Held by Directors and Executive Officers</a>	49
<a href="#">How to Vote—Stockholders of Record</a>	49
<a href="#">How to Vote—Shares Held in "Street Name"</a>	50
<a href="#">How to Vote—Shares held by the ESOP and the 401(k) Plan</a>	50
<a href="#">Revocation of Proxies</a>	50
<a href="#">Solicitation of Proxies</a>	50



**Table of Contents**

<a href="#"><u>Attending the Meeting</u></a>	<a href="#"><u>Page</u></a>
<a href="#"><u>Adjournments and Postponements</u></a>	51
<a href="#"><u>Questions and Additional Information</u></a>	51
<b><a href="#"><u>THE COMPANIES</u></a></b>	52
<a href="#"><u>CenterState</u></a>	52
<a href="#"><u>Pending Acquisition of HCBF Holding Company, Inc.</u></a>	52
<a href="#"><u>Sunshine</u></a>	53
<b><a href="#"><u>THE MERGER</u></a></b>	54
<a href="#"><u>Background of the Merger</u></a>	54
<a href="#"><u>Recommendation of Sunshine's Board of Directors and Reasons for the Merger</u></a>	61
<a href="#"><u>Opinion of Sunshine's Financial Advisor</u></a>	65
<a href="#"><u>Certain Financial Projections Provided by Sunshine</u></a>	72
<a href="#"><u>CenterState's Reasons for the Merger</u></a>	74
<a href="#"><u>Interests of Sunshine Directors and Executive Officers in the Merger</u></a>	75
<a href="#"><u>Accounting Treatment</u></a>	82
<a href="#"><u>Regulatory Approvals</u></a>	82
<a href="#"><u>Board of Directors and Management of CenterState Following the Merger</u></a>	83
<b><a href="#"><u>THE MERGER AGREEMENT</u></a></b>	85
<a href="#"><u>The Merger</u></a>	85
<a href="#"><u>Closing and Effective Time of the Merger</u></a>	85
<a href="#"><u>Merger Consideration</u></a>	85
<a href="#"><u>Procedures for Converting Shares of Sunshine Common Stock into Merger Consideration</u></a>	86
<a href="#"><u>Surrender of Sunshine Stock Certificates/Book Entry Shares</u></a>	87
<a href="#"><u>Equity Compensation</u></a>	88
<a href="#"><u>Conduct of Business Pending the Merger</u></a>	88
<a href="#"><u>Regulatory Matters</u></a>	92
<a href="#"><u>Nasdaq Listing</u></a>	92
<a href="#"><u>Employee Matters</u></a>	93
<a href="#"><u>Indemnification and Directors' and Officers' Insurance</u></a>	94
<a href="#"><u>Third Party Proposals</u></a>	94
<a href="#"><u>Representations and Warranties</u></a>	97
<a href="#"><u>Conditions to Completion of the Merger</u></a>	98
<a href="#"><u>Termination</u></a>	99
<a href="#"><u>Termination Fee</u></a>	100
<a href="#"><u>Effect of Termination</u></a>	100
<a href="#"><u>Amendment; Waiver</u></a>	100
<a href="#"><u>Expenses</u></a>	100
<a href="#"><u>Non-Competition and Non-Disclosure Agreements</u></a>	100
<a href="#"><u>Claims Letters with Directors</u></a>	101
<a href="#"><u>Litigation Relating to the Merger</u></a>	101
<b><a href="#"><u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u></a></b>	102
<b><a href="#"><u>COMPARISON OF SHAREHOLDER RIGHTS</u></a></b>	106
<b><a href="#"><u>LEGAL MATTERS</u></a></b>	113
<b><a href="#"><u>EXPERTS</u></a></b>	113
<b><a href="#"><u>FUTURE STOCKHOLDER PROPOSALS</u></a></b>	114
<b><a href="#"><u>OTHER MATTERS</u></a></b>	115
<b><a href="#"><u>DOCUMENTS INCORPORATED BY REFERENCE</u></a></b>	116

**Table of Contents**

<a href="#"><u>Appendix A</u></a>	Agreement and Plan of Merger dated August 12, 2017, by and between Sunshine Bancorp, Inc. and CenterState Bank Corporation (formerly known as CenterState Banks, Inc.)
<a href="#"><u>Appendix B</u></a>	Opinion of Hovde Group, LLC
<a href="#"><u>Appendix C</u></a>	HCBF Holding Company, Inc. Audited Consolidated Financial Statements and Accompanying Notes as of and for the year ended December 31, 2016
<a href="#"><u>Appendix D</u></a>	HCBF Holding Company, Inc. Unaudited Consolidated Financial Statements and Accompanying Notes as of and for the six months ended June 30, 2017
<a href="#"><u>Appendix E</u></a>	Jefferson Bankshares, Inc. Audited Consolidated Financial Statements and Accompanying Notes as of and for the year ended December 31, 2016
<a href="#"><u>Appendix F</u></a>	Jefferson Bankshares, Inc. Unaudited Consolidated Financial Statements and Accompanying Notes as of and for the six months ended June 30, 2017
<a href="#"><u>Appendix G</u></a>	Certain Unaudited Pro Forma Financial Information as to HCBF Holding Company, Inc. and Jefferson Bankshares, Inc. Merger

[Table of Contents](#)**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

The following are some answers to certain questions that you may have about the special meeting of Sunshine stockholders, which we refer to as the “special meeting”, and the proposed merger. We urge you to read carefully the remainder of this proxy statement/prospectus (including the risk factors beginning on page 35) because the information in this section does not provide all of the information that might be important to you with respect to the special meeting and the proposed merger. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this proxy statement/prospectus. See “Where You Can Find More Information” and “Documents Incorporated by Reference.”

**Q: What am I being asked to vote on?**

**A:** You are being asked to vote to approve the Agreement and Plan of Merger, dated August 12, 2017, entered into between CenterState and Sunshine, and the transactions provided for therein, which we collectively refer to as the “merger proposal,” that provides for the merger of Sunshine with and into CenterState with CenterState as the resulting entity. Under applicable law, the affirmative vote of a majority of the outstanding shares of Sunshine common stock is required to approve the merger proposal. A copy of the merger agreement is included in this proxy statement/prospectus as Appendix A.

Sunshine stockholders also are being asked to approve a proposal, which we refer to as the “adjournment proposal,” providing for one or more adjournments of the Sunshine special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes to approve the merger proposal at the time of the special meeting.

**Q: Why do CenterState and Sunshine want to merge?**

**A:** We believe the combination of CenterState and Sunshine will create one of the leading and more profitable community banking franchises based in Florida, and provides us with additional branch locations and market share particularly in Central Florida. The Sunshine board of directors has determined that the merger is in the best interest of Sunshine and its stockholders, and unanimously recommends that Sunshine stockholders vote for approval of the merger proposal. For more information about the reasons for the merger, see “The Merger—Recommendation of the Sunshine Board of Directors and Reasons for the Merger” and “The Merger—CenterState’s Reasons for the Merger.”

**Q: What consideration will Sunshine stockholders receive in the merger?**

**A:** If the merger is completed, each issued and outstanding share of Sunshine common stock will be converted into the right to receive 0.89 shares of CenterState common stock, which we refer to as the “merger consideration.”

CenterState will not issue any fractional shares of CenterState common stock in the merger. Rather, Sunshine stockholders who would otherwise be entitled to a fractional share of CenterState common stock upon the completion of the merger will instead receive an amount in cash equal to such fractional part of a share of CenterState common stock *multiplied by* the average closing price per share of CenterState common stock on NASDAQ for the 10 trading day period ending on the later of (i) the date on which the last required regulatory approval is obtained without regard to any requisite waiting period, or (ii) the date on which the Sunshine stockholders approve the merger proposal. We refer to the foregoing computation of the CenterState average closing price as the “CenterState average stock price.”

**Q: Will the value of the merger consideration change between the date of this proxy statement/prospectus and the time the merger is completed?**

**A:** The value of the merger consideration is likely to fluctuate between the date of this proxy statement/prospectus and the completion of the merger based upon the market value of CenterState common stock. Any fluctuation in the market price of CenterState common stock after the date of this proxy statement/prospectus will change the value of the shares of CenterState common stock that Sunshine shareholders will

[Table of Contents](#)

receive, and will therefore change the value of the merger consideration. Based on the 0.89 exchange ratio and the closing price of CenterState common stock on the Nasdaq Stock Market, or “NASDAQ”, of \$23.93 on August 11, 2017, the last full trading day before the public announcement of the merger, the value of the merger consideration was \$21.30 for each share of Sunshine common stock, and approximately \$183.7 million in the aggregate. Based on the 0.89 exchange ratio and the closing stock price of CenterState common stock on NASDAQ on October 9, 2017, the latest practicable date before the date of this proxy statement/prospectus, the value of the merger consideration was \$23.93 for each share of Sunshine common stock and approximately \$199.8 million in the aggregate. The market prices of both CenterState common stock and Sunshine common stock will fluctuate before the merger is completed. We encourage you to obtain current market quotations for shares of CenterState common stock and Sunshine common stock.

**Q: Should I send in my stock certificates now?**

A: **No, please do NOT return your stock certificate(s) with your proxy.** You should wait until you receive the stock transmittal form that will be mailed shortly after the closing date of the merger, and then you should submit your Sunshine stock certificate(s) along with the completed stock transmittal form. The stock transmittal form will be accompanied by instructions explaining how to complete the form and deliver the form and your stock certificate(s) to the exchange agent for the merger.

**Q: How will the merger impact Sunshine stock option awards?**

A: If the merger is completed, each outstanding option to acquire shares of Sunshine common stock will automatically become vested and will be converted into an option to purchase that number of shares of CenterState common stock equal to the number of shares of Sunshine common stock to which the option holder is entitled to purchase multiplied by the merger consideration (rounded to the nearest whole share). The exercise price will equal the Sunshine exercise price divided by the merger consideration (rounded to the nearest cent). Sunshine had a total of 717,876 stock options outstanding at June 30, 2017, of which 326,374 were vested and 391,502 were unvested.

**Q: How will the merger impact Sunshine restricted stock awards?**

A: If the merger is completed, each outstanding restricted stock award granted under Sunshine’s equity-based compensation plan will fully vest and will represent the right to receive the merger consideration.

**Q: What will happen to Sunshine Bank following the merger?**

A: Immediately following the merger, Sunshine Bank will be merged with and into CenterState Bank, with CenterState Bank being the surviving subsidiary bank of CenterState.

**Q: Does the Sunshine board of directors support the merger?**

A: Yes. The Sunshine board of directors has determined that the merger agreement is in the best interest of Sunshine’s stockholders and unanimously recommends that stockholders vote for approval of the merger proposal. Additionally, Sunshine’s directors have entered into voting agreements with CenterState pursuant to which they have agreed, among other things, to vote all of the Sunshine shares they beneficially own in favor of the merger proposal. A total of 518,593 shares of Sunshine common stock, representing approximately 6.5% of the outstanding shares of Sunshine common stock entitled to vote at the special meeting, are subject to these voting agreements.

**Q: Do any of Sunshine’s directors or executive officers have interests in the merger that may differ from those of Sunshine’s stockholders?**

A: Sunshine’s directors and executive officers have interests in the merger that are different from, or in addition to, those of Sunshine’s stockholders generally. The members of Sunshine’s board of directors were aware of and considered these interests, among other matters, in evaluating the merger proposal, and in recommending that Sunshine stockholders approve the merger proposal. For a description of these interests, please refer to the section entitled “Interests of Sunshine’s Directors and Executive Officers in the Merger” beginning on page 75 of this proxy statement/prospectus.

[Table of Contents](#)**Q: When and where is the special meeting of Sunshine stockholders?**

A: The Sunshine special meeting will take place on November 17, 2017, at 9:00 a.m., local time, at Sunshine Bank, located at 102 West Baker Street, Plant City, Florida 33563.

**Q: Who can vote at the special meeting of Sunshine stockholders?**

A: You can vote at the special meeting if you own shares of Sunshine common stock at the close of business on October 9, 2017, the record date for the special meeting. As of the close of business on that date, approximately 8,026,354 shares of Sunshine common stock were outstanding.

**Q: What vote is required to approve the merger proposal?**

A: Approval of the merger proposal requires the affirmative vote of the holders of a majority of the shares of Sunshine common stock outstanding on the record date. Stockholders will have one vote for each share of Sunshine common stock they own.

**Q: What vote is required to approve the adjournment proposal?**

A: Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Sunshine common stock represented in person or by proxy at the special meeting.

**Q: Are participants in the Sunshine Bank Employee Stock Ownership Plan and/or the Sunshine Bank Employee Savings Plan able to vote?**

A: Yes. Participants in the Sunshine Bank Employee Stock Ownership Plan (the "ESOP") will each receive a Voting Instruction Form that reflects all of the shares that the participant may direct the trustee to vote on his or her behalf under the ESOP. Under the terms of the ESOP, the ESOP trustee votes all shares held by the ESOP, but each ESOP participant may direct the trustee how to vote the shares of Sunshine common stock allocated to his or her account. The ESOP trustee will vote all unallocated shares of Sunshine common stock held by the ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. In addition, participants in the Sunshine Bank Employees Savings Plan ("401(k) Plan") with an interest in the Sunshine Bancorp, Inc. Stock Fund (the "Stock Fund") will receive a Voting Instruction Form that allows them to direct the 401(k) Plan trustee to vote their interest in the Stock Fund. If a participant does not direct the 401(k) Plan trustee how to vote his or her interests in the Stock Fund, the trustee will vote such interest in the same proportion as it has received timely voting instructions from other 401(k) Plan participants.

**Q: What do I need to do now?**

A: Please read this proxy statement/prospectus and decide how you wish to vote your shares and then indicate that vote on the proxy card included with this proxy statement/prospectus. Sign and return the proxy card in the enclosed prepaid return envelope marked "Proxy" as soon as possible, so that your shares may be represented and voted at the special meeting to be held on November 17, 2017. Alternatively, you may vote through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions.

**Q: What if I do not vote?**

A: If you do not vote, it will have the same effect as voting your shares *against* the merger proposal, however, it will have no effect on the adjournment proposal.

**Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?**

A: No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker how to vote your shares, following the directions provided by your broker.

**Q: Can I change or revoke my vote after I have mailed my signed proxy card?**

A: Yes. There are three ways in which you may revoke your proxy and change your vote. First, you may send a written notice to the Corporate Secretary of Sunshine, stating that you would like to revoke your proxy.

[Table of Contents](#)

Second, you may complete and submit a new proxy card (or you can vote again via the Internet or by telephone). Third, you may attend the special meeting and vote in person. Simply attending the special meeting, however, will not revoke your proxy.

**Q: When do you expect the merger to be completed?**

A: We expect the merger to be completed in the first quarter of 2018. We are working towards completing the merger as quickly as possible. To do so, the stockholders of Sunshine must approve the merger proposal, CenterState must obtain all regulatory approvals necessary to complete the merger, and other customary closing conditions must be satisfied. See “The Merger Agreement—Conditions to Completion of the Merger.”

**Q: Can I exercise dissenters’ rights in connection with the merger?**

A: No, under Maryland law Sunshine stockholders are not eligible to exercise dissenters’ rights in connection with the merger.

**Q: What will happen if the trading price of CenterState common stock changes significantly prior to completion of the Merger?**

A: Because the merger consideration is fixed, CenterState and Sunshine agreed to include provisions in the merger agreement by which Sunshine would have an opportunity to terminate the merger agreement if the average price of CenterState common stock over a specified period of time prior to completion of the merger decreases below certain specified thresholds, unless CenterState elects to increase the merger consideration by paying additional cash, by increasing the exchange ratio or a combination of both, as discussed in further detail on pages 13 and 99 of this proxy statement/prospectus.

**Q: What are the U.S. federal income tax consequences of the merger to Sunshine shareholders?**

A: The merger is expected to qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the “Code.” A condition to the obligation of each party to complete the merger is that CenterState receive a written opinion from Hacker, Johnson & Smith, P.A., tax advisor to CenterState, and Sunshine receive a written opinion from Luse Gorman, PC, legal advisor to Sunshine, each dated as of the closing date of the merger, to the effect that for U.S. federal income tax purposes the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. Accordingly, a Sunshine stockholder generally will not recognize any gain or loss with respect to the exchange of shares of Sunshine common stock for shares of CenterState common stock in the merger. However, Sunshine stockholders generally will recognize gain or loss with respect to cash received instead of fractional shares of CenterState common stock that the Sunshine stockholders would otherwise be entitled to receive. Please carefully review the information set forth in the section entitled “Material U.S. Federal Income Tax Consequences of the Merger” starting on page 102.

The United States federal income tax consequences described above may not apply to all holders of Sunshine common stock. Your tax consequences will depend on your individual situation. Accordingly, we urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

**Q: Are there risks associated with the merger that I should consider in deciding how to vote?**

A: Yes. There are a number of risks related to the merger and the other transactions contemplated by the merger agreement that are discussed in this proxy statement/prospectus, in the appendices to and the documents incorporated by reference or referred to in this proxy statement/prospectus. Please read with particular care the detailed description of the risks described in “Risk Factors” beginning on page 35 and in CenterState’s and Sunshine’s respective SEC filings incorporated by reference herein and referred to in “Where You Can Find More Information” and “Documents Incorporated by Reference” beginning on page 116.

[Table of Contents](#)

**Q: CenterState is also acquiring HCBF Holding Company, Inc. (“HCBF”), the holding company of Harbor Community Bank, simultaneously with the merger. What impact will the HCBF Merger have on CenterState’s merger with Sunshine?**

A: CenterState entered into a merger agreement to acquire HCBF on the same date that it entered into the merger agreement with Sunshine. The completion of Sunshine’s merger is not conditioned upon or subject to the completion of CenterState’s merger with HCBF. However, since CenterState will be required to obtain the necessary regulatory approvals for two transactions rather than one, it is possible that the CenterState merger with HCBF will lengthen the amount of time that would otherwise be needed to obtain all regulatory approvals of the merger if Sunshine were the only banking institution being acquired by CenterState. See “Risk Factors—If the Sunshine merger and the HCBF Merger were to occur, the pro forma combined company would exceed \$10 billion in assets, which would result in increased costs and/or reduced revenues to the resulting entity and subject the company to increased regulatory scrutiny by its primary federal regulators, with respect to its risk management and other activities.” for a discussion of the impact that the HCBF acquisition would have on CenterState’s business and operations if both the Sunshine and HCBF acquisitions are completed and CenterState’s total assets exceed \$10 billion.

**Q: Whom should I call with questions or to obtain additional copies of this proxy statement/prospectus?**

A: Sunshine stockholders should contact Sunshine Investor Relations at Sunshine Bancorp, Inc., 102 West Baker Street, Plant City, Florida 33563; telephone (813) 752-6193.

[Table of Contents](#)**SUMMARY**

*This following summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that is important to you. Each item in this summary refers to the page where that subject is discussed in more detail. For more information about the merger, the merger agreement and the special meeting, you should carefully read the entire proxy statement/prospectus, including the appendices and the documents attached to or incorporated by reference into this document. See “Where You Can Find More Information” on how to obtain copies of those documents.*

**Risk Factors (see pages 35 through 42)**

You should consider in particular the factors as described under “Risk Factors”.

**Information Regarding CenterState and Sunshine (see pages 52 and 53)*****CenterState Bank Corporation***

1101 First Street South  
Winter Haven, Florida 33880  
(863) 293-4710

CenterState is a financial holding company incorporated under Florida law. CenterState owns all the outstanding shares of CenterState Bank. Headquartered in Winter Haven, Florida between Orlando and Tampa, CenterState offers a full range of consumer and commercial banking products and services to individuals, businesses and industries through its 78 full service banking locations in 28 counties throughout Florida and through a loan production office in Macon, Georgia. CenterState Bank also operates a correspondent banking and bond sales division, and owns R4ALL, Inc. (“R4ALL”), which acquires and disposes of troubled assets received from CenterState Bank. At June 30, 2017, CenterState had total consolidated assets of \$6.8 billion, total consolidated loans of \$4.6 billion, total consolidated deposits of \$5.5 billion, and total consolidated shareholders’ equity of \$890 million. On August 24, 2017, CenterState changed its name from CenterState Banks, Inc. to CenterState Bank Corporation. CenterState’s common stock is listed on NASDAQ and trades under the symbol “CSFL.”

***Sunshine Bancorp, Inc.***

102 West Baker Street  
Plant City, Florida 33563  
(813) 752-6193

Sunshine is a savings and loan holding company incorporated under Maryland law and is the parent company of Sunshine Bank, a federal stock savings bank. Sunshine Bank offers a variety of retail and commercial banking and related financial products and services through its 18 banking locations in Central Florida. At June 30, 2017, Sunshine had total consolidated assets of \$955.9 million, total consolidated loans of \$703.9 million, total consolidated deposits of \$776.1 million, and total consolidated shareholders’ equity of \$117 million. Sunshine’s common stock is listed on NASDAQ and trades under the symbol “SBCP.”

**Pending Acquisition of HCBF Holding Company, Inc.**

On August 12, 2017, CenterState also entered into an agreement to acquire HCBF, the holding company of Harbor Community Bank (the “HCBF Merger”). Pursuant to the HCBF merger agreement, HCBF will merge with and into CenterState, with CenterState as the surviving company. Immediately after the HCBF Merger, Harbor Community Bank, a Florida-chartered commercial bank and the wholly owned subsidiary of HCBF, will



[Table of Contents](#)

merge with and into CenterState Bank, with CenterState Bank as the surviving bank. The HCBF Merger was approved by the boards of directors of each of CenterState and HCBF and is expected to close in the first quarter of 2018. Completion of the HCBF Merger is subject to customary closing conditions, including receipt of required regulatory approvals and approval of HCBF's and CenterState's shareholders. Under the terms of the HCBF merger agreement, holders of HCBF common stock will receive 0.675 shares of CenterState common stock and \$1.925 in cash for each share of HCBF common stock which equates to an aggregate transaction value of approximately \$416.7 million as of the date of the HCBF merger agreement (comprised of approximately \$374.0 million of CenterState common stock and \$42.7 million of cash).

At June 30, 2017, HCBF had total consolidated assets of approximately \$1.9 billion, total consolidated loans, net of allowance for loan losses, of approximately \$1.1 billion, total consolidated deposits of approximately \$1.6 billion, and total common shareholders' equity of approximately \$223.3 million. Effective July 28, 2017, HCBF completed its acquisition of Jefferson Bankshares, Inc., and its subsidiary, Jefferson Bank of Florida, which had approximately \$317 million in consolidated assets.

For additional information on the HCBF Merger, including certain pro forma financial information, see "Unaudited Pro Forma Combined Consolidated Financial Information".

**Sunshine Special Meeting (see page 48)**

The special meeting of Sunshine stockholders will be held on November 17, 2017, at 9:00 a.m., local time, at Sunshine Bank, located at 102 West Baker Street, Plant City, Florida 33563. At the special meeting, holders of Sunshine common stock will be asked to:

- Approve the merger proposal;
- Approve the adjournment proposal.

You can vote at the special meeting if you owned Sunshine common stock as of the close of business on October 9, 2017, which is the record date for the special meeting. On that date, there were 8,026,354 shares of Sunshine common stock outstanding and entitled to vote, approximately 7.2% of which were owned and entitled to be voted by Sunshine directors and executive officers and their affiliates. As of the record date, neither CenterState nor any of its directors or executive officers owned or had the right to vote any of the outstanding shares of Sunshine common stock. You can cast one vote for each share of Sunshine common stock you owned on that date.

Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Sunshine common stock entitled to vote. Sunshine's directors have entered into voting agreements with CenterState under which they have agreed, among other things, to vote all of the shares they beneficially own for approval of the merger proposal. A total of 518,593 shares of Sunshine common stock, representing approximately 6.5% of the outstanding shares of Sunshine common stock entitled to vote at the special meeting, are subject to these voting agreements. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Sunshine common stock represented in person or by proxy at the special meeting.

**The Merger (see page 54)**

*The terms and conditions of the merger are contained in the merger agreement, a copy of which is included as Appendix A to this proxy statement/prospectus and is incorporated by reference herein. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

In the merger, Sunshine will merge with and into CenterState, with CenterState as the surviving company. It is expected that immediately after the effective time of the merger, Sunshine Bank will merge into CenterState.

[Table of Contents](#)

Bank, with CenterState Bank as the surviving bank. We refer to the merger of CenterState Bank and Sunshine Bank as the “bank merger.”

### Merger Consideration (see page 85)

If the merger is completed, Sunshine stockholders will receive 0.89 shares of CenterState common stock for each share of Sunshine common stock they hold.

No holder of Sunshine common stock will be issued fractional shares of CenterState common stock in the merger. Instead, each holder of Sunshine common stock who would otherwise have been entitled to receive a fraction of a share of CenterState common stock will receive cash, without interest, equal to such fractional part of a share of CenterState common stock multiplied by the CenterState average stock price. See “The Merger Agreement—Merger Consideration” beginning on page 85 of this proxy statement/prospectus.

The value of the shares of CenterState common stock to be issued in the merger will fluctuate between now and the closing date of the merger. The market price of CenterState common stock at closing will not be known at the time of the Sunshine special meeting and may be more or less than the current price of CenterState common stock or the price of CenterState common stock at the time of the Sunshine special meeting. You should obtain current sale prices for CenterState and Sunshine common stock. The CenterState common stock is traded on NASDAQ under the symbol “CSFL.” The Sunshine common stock is also traded on NASDAQ under the symbol “SBCP.”

### Equivalent Sunshine Per Share Value

The following table presents the closing price of CenterState common stock on August 11, 2017, the last trading day before the date of the public announcement of the merger agreement, and October 9, 2017, the latest practicable date before the date of this proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Sunshine common stock on those dates, calculated by multiplying the closing sales price of CenterState common stock on those dates by the exchange ratio of 0.89.

<u>Date</u>	<u>CenterState closing sale price</u>	<u>Exchange Ratio</u>	<u>Equivalent Sunshine per share value</u>
August 11, 2017	\$ 23.93	0.89	\$ 21.30
October 9, 2017	\$ 26.89	0.89	\$ 23.93

The value of the shares of CenterState common stock to be issued in the merger will fluctuate between now and the closing date of the merger. You should obtain current sale prices for the CenterState and Sunshine common stock.

Upon completion of the merger and the HCBF Merger, former Sunshine stockholders will own approximately 9.2% of the outstanding shares of CenterState common stock. Upon completion of the merger (without completion of the HCBF Merger), former Sunshine stockholders will own approximately 11.5% of the outstanding shares of CenterState common stock.

### Closing and Effective Time of the Merger (see page 85)

The closing date is expected to occur during the first quarter of 2018. The merger will become effective at such time as the articles of merger are filed with the Secretary of State of Florida and the Maryland State Department of Assessments and Taxation, or such other time as may be specified in the articles of merger.

[Table of Contents](#)**Surrender of Stock Certificates (see page 87)**

Promptly after the effective time of the merger, the exchange agent for the merger will mail to each holder of record of Sunshine common stock a letter of transmittal and instructions for the surrender of the holder's Sunshine stock certificate(s) for the merger consideration (including cash in lieu of any fractional CenterState shares) and any dividends or distributions to which such holder may be entitled to pursuant to the merger agreement.

**Please do not send in your certificate until you receive the letter of transmittal.**

**Recommendation of the Sunshine Board of Directors (see page 61)**

The Sunshine board of directors has approved the merger agreement and determined that the merger is in the best interests of, Sunshine and its stockholders and unanimously recommends that Sunshine stockholders vote **"FOR"** approval of the merger proposal and **"FOR"** the approval of the adjournment proposal.

For a discussion of the factors considered by the Sunshine board of directors in reaching its decision to approve the merger agreement, see "The Merger—Recommendation of Sunshine's Board of Directors and Reasons for the Merger."

**Opinion of Hovde Group, LLC, Financial Advisor of Sunshine (see page 65 and Appendix B)**

At the August 11, 2017 meeting of the Sunshine board of directors to consider the merger, Hovde Group, LLC ("Hovde") delivered to the Sunshine board of directors a written opinion regarding the fairness of the merger consideration to be received by Sunshine stockholders from a financial point of view.

The Hovde opinion was directed to the Sunshine board of directors and relates only to the fairness of the merger consideration to be received by Sunshine stockholders, from a financial point of view. Hovde's opinion does not address any other aspect of the merger and is not a recommendation to any Sunshine stockholder as to how such stockholder should vote at the special meeting.

The full text of Hovde's August 11, 2017 opinion is included as Appendix B to this proxy statement/prospectus and is incorporated by reference into this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde in rendering its opinion. The description of the opinion is qualified in its entirety by reference to the opinion. Sunshine stockholders are urged to read the entire opinion carefully in connection with their consideration of the merger proposal.

**Material U.S. Federal Income Tax Consequences of the Merger (see page 102)**

It is expected that the merger will qualify as a tax-free "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). It is a condition to the obligation of each party to effect the merger that CenterState receive a written opinion from Hacker, Johnson & Smith, P.A., tax advisor to CenterState, and Sunshine receive a written opinion from Luse Gorman, PC, legal advisor to Sunshine, each dated as of the closing date of the merger, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. As a tax-free reorganization, the holders of shares of Sunshine common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of their shares for the merger consideration in the merger, except cash received in lieu of any fractional shares of CenterState common stock. The U.S. federal income tax consequences described above may not apply to all holders of Sunshine common stock. For further information, please refer to "Material U.S. Federal Income Tax Consequences" beginning on page 102.

[Table of Contents](#)

**Tax matters are very complicated and the consequences of the merger to any particular Sunshine stockholder will depend on that stockholder's particular facts and circumstances. You should consult your own tax advisor to determine the particular tax consequences of the merger to you.**

**Interests of Sunshine Directors and Executive Officers in the Merger (see page 75)**

Some of the executive officers and directors of Sunshine have interests in the merger that are in addition to, or different from, the interests of Sunshine's stockholders generally. These interests include the following:

- All Sunshine stock options, including those held by the directors and executive officers, will vest upon the effective time of the merger and convert into options exercisable for shares of CenterState common stock;
- All restricted stock awards granted prior to the effective date of the merger will vest and receive the merger consideration;
- Sunshine previously entered into employment and change in control agreements with a number of its executive officers, which entitle them to certain payments and benefits upon a qualifying termination in connection with a change in control, such as the merger;
- Sunshine's supplemental executive retirement plan agreement with an executive officer provides for accelerated vesting and enhanced retirement benefits in connection with a change in control, such as the merger;
- Certain rights to reimbursements with respect to excise taxes under Sections 280G and 4999 of the Internal Revenue Code for an executive officer;
- Subject to the terms of the merger agreement, Sunshine may, in consultation with CenterState, accelerate the payment of certain compensatory amounts so that they are paid in 2017 for tax planning purposes with respect to Sections 280G and 4999 of the Internal Revenue Code. Such amounts may include accelerating the vesting of the Sunshine restricted stock, accelerating the payment of 2017 bonuses that would normally be payable in 2018, and accelerating the payment of change in control severance benefits due to the executive officers under their employment or change in control agreements; and
- Sunshine's directors and executive officers will be entitled to indemnification by CenterState with respect to claims arising from matters occurring at or prior to the closing of the merger and to coverage under a directors' and officers' liability insurance policy for six years after the merger.

These interests are discussed in more detail in the Section entitled "The Merger—Interests of Sunshine Executive Officers and Directors in the Merger." The Sunshine board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement.

**Treatment of Sunshine Equity Compensation (see page 88)**

If the merger is completed, each option to acquire shares of Sunshine common stock, which is then outstanding, will become fully vested and will be converted into an option to purchase that number of shares of CenterState common stock equal to the number of shares of Sunshine common stock to which the option holder is entitled to purchase multiplied by the merger consideration (rounded to the nearest whole share). The exercise price will equal the Sunshine exercise price divided by the merger consideration (rounded to the nearest cent).

If the merger is completed, each outstanding restricted stock award granted under Sunshine's equity-based compensation plan will fully vest and receive the merger consideration.

[Table of Contents](#)**Conditions to Completion of the Merger (see page 98)**

The completion of the merger depends on a number of customary conditions being satisfied or, where permitted, waived, including:

- the approval of the merger proposal by Sunshine stockholders;
- the receipt of all regulatory approvals required to consummate the transactions contemplated by the merger agreement, without the imposition of any materially burdensome regulatory conditions or any commitments, conditions, restrictions or understandings that would prohibit or materially limit the ownership or operation by Sunshine or CenterState of all or a material portion of their business or assets, or compel CenterState to dispose of all or a material portion of the business or assets of Sunshine or of CenterState;
- the approval for listing on NASDAQ of the shares of CenterState common stock to be issued in the merger;
- the effectiveness of the Registration Statement on Form S-4 for the CenterState common stock to be issued in the merger and no stop order suspending its effectiveness will have been initiated or threatened by the Securities and Exchange Commission;
- the receipt by CenterState and Sunshine from their respective accounting firm or tax counsel of a U.S. federal income tax opinion that the merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code;
- the absence of any order, injunction or other law making illegal the consummation of the merger, the bank merger or the other transactions contemplated by the merger agreement;
- the accuracy of the representations and warranties in the merger agreement, subject to certain materiality or material adverse effect qualifications described in the merger agreement;
- the performance in all material respects by CenterState and Sunshine of their respective obligations under the merger agreement;
- the absence of any event that has resulted in a material adverse effect on the other party, and the absence of any condition, event, fact, circumstance or other occurrence that is reasonably expected to have a material adverse effect on the other party; and
- (i) the approval of the Sunshine board of directors has not have been withheld, withdrawn or modified in a manner adverse to CenterState, (ii) the Sunshine board of directors must not have approved or recommended (or publicly proposed to approve or recommend) any other third party acquisition proposal, or (iii) the Sunshine board of directors must not have allowed Sunshine or Sunshine Bank to enter into a letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or agreement relating to any third party acquisition proposal.

No assurance is given as to when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Regulatory Approvals Required for the Merger (see page 82)**

The merger and the bank merger are subject to various regulatory approvals, including approvals, or receipt of a waiver from approval, from the Federal Reserve and the Office of the Comptroller of the Currency (the “OCC”). CenterState has received the waiver of approval from the Federal Reserve. Notifications and/or applications requesting approvals of the merger or the bank merger (or a waiver from such approval) may also be submitted to other federal and state regulatory authorities and self-regulatory organizations. The parties have filed notices and applications to obtain the necessary regulatory approvals or waiver from approval. Although

[Table of Contents](#)

neither CenterState nor Sunshine knows of any reason why it cannot obtain these regulatory approvals in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that would (i) prohibit or materially limit the ownership or operation by Sunshine or CenterState, of all or any material portion of the business or assets of each respective entity, or (ii) compel CenterState to dispose of all or any material portion of the business or assets of Sunshine or CenterState. It is a condition to CenterState's obligation to complete the merger that no such regulatory condition be imposed. The regulatory approvals to which the completion of the merger and bank merger are subject are described in more detail under the section entitled "The Merger—Conditions to Completion of the Merger."

**Third Party Proposals (see page 94)**

Sunshine has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than CenterState, and to certain related matters. The merger agreement does not, however, prohibit Sunshine from considering prior to the special meeting an unsolicited bona fide acquisition proposal from a third party if certain specified conditions are met.

**Termination (see page 99)**

The merger agreement may be terminated by CenterState or Sunshine at any time prior to the effective time of the merger:

- by mutual written consent;
- if any governmental authority denies approval of the merger or the bank merger and such denial has become final;
- if the Sunshine stockholders fail to approve the merger agreement;
- if the merger has not been completed by May 31, 2018, unless the failure to complete the merger by such date is due to a material breach of the merger agreement by the party seeking to terminate it; or
- if there is a breach by the other party of any representation, warranty, covenant or other agreement set forth in the merger agreement (subject to the materiality standard contained in the merger agreement) and such breach is not cured within 30 days following written notice to the breaching party).

In addition, the merger agreement may be terminated:

- by CenterState, if, before obtaining the approval of the Sunshine stockholders of the merger agreement, (i) the Sunshine board of directors fails to recommend or makes an adverse recommendation change, breaches its obligations with respect to calling a meeting of its stockholders or makes, or causes to be made, any third party or public communication proposing or announcing an intention to withdraw or modify, in any manner adverse to CenterState, such recommendation (referred to as a "change in recommendation"), (ii) Sunshine approves or recommends or fails to publicly recommend against another acquisition proposal, (iii) Sunshine fails to publicly reconfirm the Sunshine recommendation that its stockholders approve the merger, (iv) Sunshine resolves or otherwise determines to take or announces an intention to take any of the foregoing actions, or (v) Sunshine materially breaches any of the provisions of the merger agreement relating to third party proposals (we refer to any of the foregoing terminations to be a "Sunshine Failure to Recommend");
- by Sunshine, prior to obtaining the approval of the merger agreement by the Sunshine stockholders, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to third party proposals (which we refer to as a "Superior Proposal Termination"); and

[Table of Contents](#)

- by Sunshine, if both of the following conditions exist:
  - (i) the quotient obtained by dividing the CenterState average stock price by \$23.93 (which we refer to as the “CenterState Ratio”) is less than 0.85, and
  - (ii) the CenterState Ratio is less than the quotient obtained by dividing the average closing prices for the Nasdaq Bank Index during a specified time prior to completion of the merger (which we refer to as the “Final Index Price”) by \$3,569.16, and then subtracting 0.15 from this quotient (which we refer to as the “Index Ratio”).

**However, if Sunshine chooses to exercise this termination right, CenterState has the option, within five business days of receipt of notice from Sunshine, to adjust the merger consideration and prevent termination under this provision.**

#### **Termination Fee and Expenses (see page 100)**

Sunshine must pay CenterState a termination fee of \$7.068 million:

- If the merger agreement is terminated by CenterState because the Sunshine board of directors fails to recommend or makes an adverse recommendation change or breaches its obligations with respect to calling a meeting of its stockholders, or by Sunshine as a result of a Superior Proposal Termination; or
- If the merger agreement is terminated by CenterState or Sunshine because the Sunshine stockholders fail to approve the merger agreement or by CenterState due to a material breach of a representation or warranty by Sunshine and, if prior to such termination, there shall have been made known to senior management of Sunshine or has been made directly to Sunshine stockholders generally or any person shall have publicly announced (and not withdrawn) an acquisition proposal (as defined in the merger agreement) and, within 12 months of such termination, Sunshine or Sunshine Bank enters into a definitive agreement with respect to an acquisition proposal or completes an acquisition proposal (whether or not it is the same acquisition proposal referred to previously).

#### **Accounting Treatment (see page 82)**

CenterState will account for the merger under the purchase method of accounting for business combinations under United States generally accepted accounting principles.

#### **Dissenters’ Rights**

Under Maryland law, holders of Sunshine common stock do not have the right to dissent from the merger agreement and seek an appraisal in connection with the merger.

#### **NASDAQ Listing (see page 92)**

CenterState will cause the shares of CenterState common stock to be issued to the holders of Sunshine common stock in the merger to be authorized for listing on NASDAQ, subject to official notice of issuance, prior to the effective time of the merger.

#### **Resale of CenterState Common Stock**

All shares of CenterState common stock received by Sunshine stockholders in the merger will be freely tradable for purposes of the Securities Act, except for shares of CenterState common stock received by any such holder who becomes an “affiliate” of CenterState after the completion of the merger. This proxy statement/

[Table of Contents](#)

prospectus does not cover resales of shares of CenterState common stock received by any person upon completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any resale.

### Market Prices and Dividend Information (see page 47)

CenterState common stock is traded on NASDAQ under the symbol "CSFL." Sunshine common stock is also traded on NASDAQ under the symbol "SBCP." The following table sets forth the reported high and low sales prices of shares of CenterState and Sunshine common stock and the quarterly cash dividends per share of CenterState and Sunshine common stock declared, in each case for the periods indicated.

	CenterState Common Stock			Sunshine Common Stock		
	High	Low	Dividends	High	Low	Dividends
<b>2017</b>						
First Quarter	\$26.48	\$24.07	\$ 0.06	\$21.39	\$16.44	—
Second Quarter	\$26.27	\$23.74	\$ 0.06	\$23.73	\$19.50	—
Third Quarter	\$27.02	\$21.77	\$ 0.06	\$23.43	\$19.13	—
Fourth Quarter (through October 9, 2017)	\$27.06	\$26.40	\$ —	\$23.64	\$23.01	—
<b>2016</b>						
First Quarter	\$15.72	\$12.57	\$ 0.04	\$15.20	\$14.00	—
Second Quarter	\$16.59	\$14.49	\$ 0.04	\$14.99	\$13.91	—
Third Quarter	\$18.27	\$15.30	\$ 0.04	\$14.83	\$14.00	—
Fourth Quarter	\$25.83	\$17.09	\$ 0.04	\$17.85	\$14.02	—
<b>2015</b>						
First Quarter	\$12.35	\$10.94	\$ 0.01	\$12.60	\$11.82	—
Second Quarter	\$13.98	\$11.70	\$ 0.02	\$15.04	\$12.15	—
Third Quarter	\$15.00	\$12.20	\$ 0.02	\$15.35	\$13.75	—
Fourth Quarter	\$16.24	\$14.24	\$ 0.02	\$15.25	\$13.65	—

On August 11, 2017, the last full trading day before the public announcement of the merger agreement, the closing price of shares of CenterState common stock as reported on NASDAQ was \$23.93 and the closing price of Sunshine common stock as reported on NASDAQ was \$22.68. On October 9, 2017, the last practicable trading day before the date of this proxy statement/prospectus, the closing price of shares of CenterState common stock as reported on NASDAQ was \$26.89 and the closing price of shares of Sunshine common stock as reported on NASDAQ was \$23.59.

The holders of CenterState common stock receive dividends if and when declared by the CenterState board of directors out of funds legally available, subject to certain restrictions imposed by state and federal laws.

As of October 9, 2017, there were 60,055,817 shares of CenterState common stock outstanding and owned by approximately 1,382 registered shareholders of record. As of October 9, 2017, there were 8,026,354 shares of Sunshine common stock outstanding and owned by approximately 341 registered stockholders of record.

Sunshine stockholders are advised to obtain current market prices for CenterState common stock. The market price of CenterState common stock will fluctuate between the date of this proxy statement/prospectus and the completion of the merger. No assurance can be given concerning the market price of CenterState common stock before or after the effective date of the merger.



[Table of Contents](#)**Comparative Rights of CenterState Shareholders and Sunshine Stockholders (Page 106)**

Sunshine stockholders, whose rights are currently governed by Sunshine's articles of incorporation, the Sunshine's bylaws and Maryland law, will, upon completion of the merger, become shareholders of CenterState and their rights will be governed by CenterState's articles of incorporation, CenterState's bylaws, and Florida law. The difference in shareholder rights are explained more fully in "Comparison of Shareholder Rights" beginning on page 106.

**Litigation Relating to the Merger (page 101)**

On October 9, 2017, Sunshine received notice of a putative class action lawsuit against Sunshine, its directors, and CenterState challenging the proposed transaction. The complaint alleges that the directors of Sunshine breached their fiduciary duties in connection with their approval of the merger agreement and that CenterState aided and abetted those alleged fiduciary breaches. Other potential plaintiffs may also file additional lawsuits challenging the proposed transaction. If this case is not resolved, this lawsuit could prevent or delay completion of the merger and result in substantial costs to Sunshine and CenterState, including any costs associated with the indemnification of directors and officers. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect CenterState's business, financial condition, results of operations and cash flows.

For more information, see "The Merger Agreement—Litigation Relating to the Merger" beginning on page 101.

[Table of Contents](#)**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CENTERSTATE**

The following selected historical consolidated financial data as of and for the year ended December 31, 2016, 2015, 2014, 2013 and 2012 is derived from the audited consolidated financial statements of CenterState. The following selected historical consolidated financial data as of and for the six months ended June 30, 2017 and 2016 is derived from the unaudited consolidated financial statements of CenterState and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of CenterState's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the six months ended June 30, 2017, are not necessarily indicative of the results that may be expected for the year ending December 31, 2017 or any future period. You should read the following selected historical consolidated financial data in conjunction with: (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and CenterState's audited consolidated financial statements and accompanying notes included in CenterState's Annual Report on Form 10-K for the year ended December 31, 2016; and (ii) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and CenterState's unaudited consolidated financial statements and accompanying notes included in CenterState's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2017, both of which are incorporated by reference into this proxy statement/prospectus. See "Documents Incorporated by Reference."

(Dollars in thousands, except per share data)

	(unaudited) At or for the six months ended June 30,		At or for the year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
<b>Summary of Operations:</b>							
Total interest income	\$ 115,847	\$ 90,807	\$ 188,665	\$ 162,320	\$ 138,227	\$ 100,378	\$ 94,950
Total interest expense	(6,509)	(4,335)	(9,340)	(7,286)	(7,356)	(5,885)	(8,481)
Net interest income	109,338	86,472	179,325	155,034	130,871	94,493	86,469
Provision for loan losses	(2,894)	(1,421)	(4,962)	(4,493)	(826)	76	(9,220)
Net interest income after provision for loan losses	106,444	85,051	174,363	150,541	130,045	94,569	77,249
Non-interest income	16,964	13,158	30,363	9,883	6,027	12,445	20,336
Income from correspondent banking and capital markets division	14,512	18,066	33,685	27,563	20,153	20,410	35,707
Net gain on sale of securities available for sale	—	—	13	4	46	1,060	2,423
Bargain purchase gain, acquisition of institution	—	—	—	—	—	—	453
Gain on extinguishment of debt	—	308	308	—	—	—	—
Loss on termination of FDIC loss share agreements	—	(17,560)	(17,560)	—	—	—	—
Credit related expenses	(1,531)	(970)	(1,781)	(2,295)	(5,282)	(12,730)	(11,206)
Non-interest expense	(91,321)	(81,372)	(155,140)	(123,787)	(130,899)	(98,001)	(110,432)
Income before income taxes	45,068	16,681	64,251	61,909	20,090	17,753	14,530
Income tax expenses	(13,235)	(5,751)	(21,910)	(22,571)	(7,126)	(5,510)	(4,625)
Net income	\$ 31,833	\$ 10,930	\$ 42,341	\$ 39,338	\$ 12,964	\$ 12,243	\$ 9,905
<b>Per Common Share Data:</b>							
Basic earnings (loss) per share	\$ 0.58	\$ 0.23	\$ 0.89	\$ 0.87	\$ 0.32	\$ 0.41	\$ 0.33
Diluted earnings (loss) per share	\$ 0.57	\$ 0.23	\$ 0.88	\$ 0.85	\$ 0.31	\$ 0.41	\$ 0.33
Common equity per common share outstanding	\$ 14.84	\$ 11.21	\$ 11.47	\$ 10.79	\$ 9.98	\$ 9.08	\$ 9.09
Tangible common equity per common share outstanding(1)	\$ 10.09	\$ 8.64	\$ 8.93	\$ 8.82	\$ 7.95	\$ 7.38	\$ 7.36
Dividends per common share	\$ 0.12	\$ 0.08	\$ 0.16	\$ 0.07	\$ 0.04	\$ 0.04	\$ 0.04
Actual shares outstanding	60,002,604	47,996,281	48,146,981	45,459,195	45,323,553	30,112,475	30,079,767
Weighted average common shares outstanding	54,490,488	46,968,000	47,409,142	45,182,224	40,852,002	30,102,777	30,073,959
Diluted weighted average common shares outstanding	55,396,988	47,620,315	48,191,523	45,788,632	41,235,552	30,220,127	30,141,863
<b>Balance Sheet Data:</b>							
Assets	\$ 6,767,479	\$ 4,995,289	\$ 5,078,559	\$ 4,022,717	\$ 3,776,869	\$ 2,415,567	\$ 2,363,240
Total loans	4,646,533	3,194,967	3,429,747	2,593,776	2,429,525	1,474,179	1,435,863
Allowance for loan losses	30,132	24,172	27,041	22,264	19,898	20,454	26,682
Total deposits	5,475,455	4,132,136	4,152,544	3,215,178	3,092,040	2,056,231	1,997,232

[Table of Contents](#)

	(unaudited) At or for the six months ended June 30,		At or for the year ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
Short-term borrowings	303,625	204,707	290,413	252,722	179,014	50,366	57,724
Corporate debentures	26,075	25,841	25,958	24,093	23,917	16,996	16,970
Common shareholders' equity	890,258	537,971	552,457	490,514	452,477	273,379	273,531
Total shareholders' equity	890,258	537,971	524,457	490,514	452,477	273,379	273,531
Tangible capital	605,347	414,688	430,135	400,774	360,337	222,339	221,300
Goodwill	257,683	105,492	106,028	76,739	76,739	44,924	44,924
Core deposit intangible (CDI)	26,217	17,023	15,510	12,164	14,417	4,958	5,944
Other intangible assets	1,011	768	784	837	984	1,158	1,363
Average total assets	\$5,839,879	\$4,669,057	\$4,864,151	\$3,928,523	\$3,419,541	\$2,381,620	\$2,445,902
Average loans	3,952,701	2,979,737	3,140,343	2,518,572	2,160,155	1,439,069	1,451,492
Average interest earning assets	5,220,144	4,174,205	4,356,455	3,484,739	2,995,845	2,034,542	2,070,990
Average deposits	4,717,405	3,841,276	3,991,078	3,178,569	2,891,459	2,087,004	2,062,682
Average interest bearing deposits	3,016,332	2,446,684	2,568,605	2,038,955	1,942,299	1,425,858	1,555,755
Average interest bearing liabilities	3,344,746	2,696,914	2,834,392	2,278,427	2,046,061	1,502,481	1,652,460
Average total shareholders' equity	728,779	513,258	531,734	471,130	391,574	273,852	269,282
<b>SELECTED FINANCIAL RATIOS:</b> (ratios are annualized where applicable)							
Return on average assets	1.10%	0.47%	0.87%	1.00%	0.38%	0.51%	0.40%
Return on average equity	8.81%	4.28%	7.96%	8.35%	3.31%	4.47%	3.68%
Dividend payout	21%	35%	18%	8%	13%	10%	12%
Efficiency ratio(2)	65%	69%	64%	65%	86%	85%	83%
Net interest margin, tax equivalent basis(3)	4.34%	4.24%	4.20%	4.51%	4.41%	4.71%	4.24%
Net interest spread, tax equivalent basis(4)	4.20%	4.13%	4.08%	4.40%	4.30%	4.61%	4.14%
<b>CAPITAL RATIOS:</b>							
Tier 1 leverage ratio	10.00%	8.67%	9.11%	10.53%	10.11%	10.38%	9.91%
Risk-based capital							
Common equity Tier 1	11.41%	11.06%	11.27%	14.39%	—	—	—
Tier 1	11.90%	11.62%	11.83%	14.99%	14.36%	16.64%	16.63%
Total	12.48%	12.29%	12.54%	15.79%	15.14%	17.89%	17.89%
Tangible common equity ratio	9.30%	8.50%	8.68%	10.19%	9.78%	9.40%	9.58%
<b>ASSET QUALITY RATIOS:</b> (ratios are annualized where applicable)							
Net charge-offs to average loans(5)	(0.01%)	(0.04%)	—	0.09%	0.07%	0.42%	0.93%
Allowance to period end loans(5)	0.67%	0.81%	0.82%	0.93%	0.90%	1.58%	2.11%
Allowance for loan losses to non-performing loans(5)	149%	96%	140%	106%	76%	73%	93%
Non-performing assets to total assets(5)	0.39%	0.75%	0.52%	0.56%	0.92%	1.39%	1.41%
<b>OTHER DATA:</b>							
Banking locations	78	66	67	57	58	55	55
Full-time equivalent employees	1,180	897	952	784	785	693	689

(1) Tangible common equity per common share outstanding is defined as tangible common equity divided by total common shares outstanding.

(2) Efficiency ratio is non-interest expense (less non-recurring items) divided by the sum of the tax equivalent net interest income before the provision for loan losses plus non-interest income (less non-recurring items).

(3) Net interest margin is net interest income divided by total average earning assets.

(4) Net interest spread is the difference between the average yield on earning assets and the average yield on average interest bearing liabilities.

(5) Excludes purchased credit impaired loans.

[Table of Contents](#)**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SUNSHINE**

The following tables set forth selected historical consolidated financial and other data of Sunshine (and prior to July 14, 2014, Sunshine Bank) at or for years ended December 31, 2016, 2015, 2014, 2013 and 2012 is derived from the audited consolidated financial statements of Sunshine. The following selected historical consolidated financial data as of and for the six months ended June 30, 2017 and 2016 is derived from the unaudited consolidated financial statements of Sunshine and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Sunshine's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates. The results of operations as of and for the six months ended June 30, 2017, are not necessarily indicative of the results that may be expected for the year ending December 31, 2017 or any future period.

You should read the following selected historical consolidated financial data in conjunction with: (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Sunshine's audited consolidated financial statements and accompanying notes included in Sunshine's Annual Report on Form 10-K for the year ended December 31, 2016; and (ii) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Sunshine's unaudited consolidated financial statements and accompanying notes included in Sunshine's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2017, both of which are incorporated by reference into this proxy statement/prospectus. See "Documents Incorporated by Reference."

	(unaudited) At or for the six months ended June 30,		At or for the year ended December 31,				
	2017	2016	2016	2015	2014*	2013	2012
	(Dollars in thousands, except per share data)						
<b>SELECT FINANCIAL CONDITION DATA:</b>							
Total assets	\$ 955,885	\$ 514,729	\$ 931,435	\$ 507,265	\$229,820	\$194,439	\$194,047
Cash and cash equivalents	63,614	23,475	50,273	59,344	20,479	11,054	12,301
Securities held to maturity	—	—	—	—	75,473	48,436	44,701
Securities held to Available for Sale	106,456	66,285	109,668	65,944	—	—	—
Loans receivable, net	703,863	371,538	683,784	326,266	108,666	111,263	114,038
Federal Home Loan Bank stock, at cost	2,452	1,731	3,478	1,597	180	237	302
Cash surrender value of bank-owned life insurance	22,779	12,284	22,462	12,122	7,259	4,089	3,967
Other real estate owned	32	52	32	32	41	1,422	990
Deposits	776,053	395,315	729,949	399,111	163,924	164,919	164,222
FHLB Advances	38,000	30,000	65,000	27,500	—	—	—
Subordinated notes	11,000	11,000	11,000	—	—	—	—
Other Borrowings	7,887	1,583	6,867	1,427	—	—	—
Stockholders' equity	116,508	72,242	112,101	71,394	61,626	26,552	26,411
<b>SELECTED OPERATING DATA:</b>							
Interest income	\$ 17,319	\$ 8,679	\$ 20,927	\$ 11,846	\$ 6,278	\$ 6,095	\$ 6,605
Interest expense	1,617	792	2,014	751	298	374	560
Net interest income	15,702	7,887	18,913	11,095	5,980	5,721	6,045
Provision for loan losses	—	350	350	—	2,500	—	—
Net interest income after provision for loan losses	15,702	7,537	18,563	11,095	3,480	5,721	6,045
Noninterest income	2,223	1,816	3,186	1,629	756	930	897
Noninterest expenses	12,551	9,041	21,615	17,276	8,287	6,405	7,001
Income (loss) before income taxes	5,374	312	134	(4,552)	(4,051)	246	(59)
Income tax expense (benefit)	1,943	85	177	(2,321)	(1,590)	105	(22)
Net income (loss)	3,431	227	(43)	(2,231)	(2,461)	141	(37)
Dividends on preferred shares	—	—	—	14	—	—	—
Net Income (loss) available for common stockholders	3,431	227	(43)	(2,245)	(2,461)	141	(37)
Income (loss) per share	0.44	0.05	(0.01)	(0.56)	N/A	N/A	N/A
Diluted income (loss) per share	\$ 0.43	\$ 0.05	\$ (0.01)	\$ (0.56)	N/A	N/A	N/A
Weighted Average shares outstanding	7,711,718	4,949,210	5,401,566	3,993,560	N/A	N/A	N/A
Weighted Average diluted shares outstanding	7,908,162	4,963,285	5,401,566	3,993,560	N/A	N/A	N/A
<b>PERFORMANCE RATIOS:</b>							
Return (loss) on average assets	0.73%	0.09%	(0.01%)	(0.63%)	(1.11%)	0.07%	(0.02%)
Return (loss) on average equity	6.02%	0.63%	(0.06%)	(3.50%)	(5.88%)	0.53%	(0.14%)
Interest rate spread(1)	3.60%	3.45%	3.52%	3.44%	2.87%	3.08%	3.58%
Net interest margin(2)	3.76%	3.57%	3.66%	3.53%	2.94%	3.15%	3.63%

[Table of Contents](#)

	(unaudited) At or for the six months ended June 30,		At or for the year ended December 31,				
	2017	2016	2016	2015	2014*	2013	2012
	(Dollars in thousands, except per share data)						
Noninterest expense to average assets	2.67%	3.61%	3.73%	4.87%	3.74%	3.25%	3.58%
Efficiency ratio(3)	70.02%	93.18%	97.81%	135.77%	123.03%	96.30%	100.85%
Average interest-earning assets to average interest-bearing liabilities	142.35%	133.29%	134.82%	137.43%	151.76%	129.71%	116.53%
Average equity to average assets	12.11%	14.33%	13.22%	17.96%	18.93%	13.42%	13.54%
<b>CAPITAL RATIOS(4):</b>							
Total capital to risk-weighted assets	13.43%	15.44%	13.39%	13.13%	33.82%	25.26%	25.55%
Tier 1 capital to risk-weighted assets	12.94%	14.72%	12.93%	12.44%	32.57%	24.00%	24.28%
Common Equity Tier 1 capital to risk-weighted assets	12.94%	14.72%	12.93%	12.44%	N/A	N/A	N/A
Tier 1 capital to average assets	10.58%	12.11%	12.10%	9.76%	16.99%	13.14%	13.09%

	(unaudited) At or for the six months ended June 30,		At or for the year ended December 31,				
	2017	2016	2016	2015	2014*	2013	2012
<b>ASSET QUALITY RATIOS:</b>							
Allowance for loan losses as a percentage of total loans	0.52%	0.77%	0.48%	0.76%	1.56%	1.52%	1.96%
Allowance for loan losses as a percentage of nonperforming loans	519.09%	227.77%	1125.09%	334.34%	193.50%	44.95%	44.92%
Net (recoveries) charge-offs to average outstanding loans during the year	(0.12%)	(0.01%)	(0.10%)	(0.36%)	2.22%	0.50%	0.96%
Nonperforming loans as a percentage of total loans	0.10%	0.34%	0.04%	0.23%	0.81%	3.37%	4.34%
Total nonperforming assets as a percentage of total assets	0.08%	0.26%	0.03%	0.15%	1.20%	2.70%	3.12%
<b>OTHER DATA:</b>							
Number of offices	18	12	18	12	5	5	5
Number of full-time equivalent employees	153	118	155	128	74	61	60

(\*) Represents the year Sunshine Bancorp, Inc. was incorporated.

(1) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of average interest-bearing liabilities.

(2) Represents net interest income as a percentage of average interest-earning assets.

(3) Represents noninterest expense divided by the sum of net interest income and noninterest income.

(4) Represents Sunshine Bank capital ratios.

[Table of Contents](#)**UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited pro forma combined consolidated financial information and accompanying notes show the impact on the historical financial conditions and results of operations of CenterState, Sunshine and HCBF and have been prepared to illustrate the effects of the mergers under the acquisition method of accounting. See “The Merger—Accounting Treatment.”

The unaudited pro forma combined consolidated balance sheet as of June 30, 2017 is presented as if the Sunshine and the HCBF mergers had occurred on June 30, 2017. The unaudited pro forma combined consolidated statements of income for the year ended December 31, 2016 and for the six month period ended June 30, 2017 are presented as if both mergers had occurred on January 1, 2016. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the mergers and, with respect to the income statement only, expected to have a continuing impact on consolidated results of operations, and, as such, CenterState’s one-time merger costs for both mergers are not included. The financial condition and results of HCBF also include the effect of the acquisition of Jefferson Bankshares, Inc. (“Jefferson”), which was completed on July 28, 2017. The historical results of operations for Platinum Bank Holding Company (“Platinum”) for the period of January 1, 2017 through March 31, 2017 (the Platinum merger transaction closed on April 1, 2017) are included in the unaudited pro forma combined consolidated statement of income for the six months ended June 30, 2017. The historical results of operations for Gateway Financial Holdings of Florida, Inc. (“Gateway”) for the period of January 1, 2017 through April 30, 2017 (the Gateway merger transaction closed on May 1, 2017) are included in the unaudited pro forma combined consolidated statement of income for the six months ended June 30, 2017. The historical results of operations for Platinum and Gateway for the period of January 1, 2016 through December 31, 2016 are included in the unaudited pro forma combined consolidated statement of income for the year ended December 31, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2016 and for the six months ended June 30, 2017 assume the Platinum and Gateway mergers were completed on January 1, 2016. No pro forma adjustments for Platinum and Gateway are presented for the unaudited pro forma combined consolidated balance sheet since both transactions are already reflected in CenterState’s historical financial condition at June 30, 2017.

The unaudited pro forma combined consolidated financial statements are provided for informational purposes only. The unaudited pro forma combined consolidated financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the mergers been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined consolidated financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined consolidated financial statements should be read together with:

- the accompanying notes to the unaudited pro forma combined consolidated financial statements;
- CenterState’s audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, included in CenterState’s Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus;
- CenterState’s unaudited consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2017, included in CenterState’s Quarterly Report on Form 10-Q for the six months ended June 30, 2017, which is incorporated by reference into this proxy statement/prospectus;
- Sunshine’s audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, included in Sunshine’s Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus;
- Sunshine’s unaudited consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2017, included in Sunshine’s Quarterly Report on Form 10-Q for the six months ended June 30, 2017, which is incorporated by reference into this proxy statement/prospectus;

[Table of Contents](#)

- HCBF's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016 included as Appendix C in this proxy statement/prospectus;
- HCBF's unaudited consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2017 included as Appendix D in this proxy statement/prospectus;
- Jefferson's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016 included as Appendix E in this proxy statement/prospectus; and
- Jefferson's unaudited consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2017 included as Appendix F in this proxy statement/prospectus.
- HCBF's unaudited pro forma combined consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2017 included as Appendix G in this proxy statement/prospectus.

[Table of Contents](#)

Unaudited Pro Forma Combined Consolidated Balance Sheet  
As of June 30, 2017  
(in thousands)

	CenterState as reported	Sunshine as reported	Pro Forma adjustments		CenterState Sunshine Pro Forma	HCBF as reported	Jefferson as reported	Pro Forma adjustments		HCBF Jefferson Pro Forma	Pro Forma adjustments		CenterState Pro Forma Total Combined
<b>Assets:</b>													
Cash and cash equivalents	\$ 319,651	\$ 63,614	(\$ 18,458)	c	\$ 364,807	\$ 62,986	18,056	(\$ 9,181)	a	\$ 71,861	(\$ 51,231)	a,c	\$ 385,437
Time deposits with banks	—	835			835		2,739			2,739			3,574
Investment securities	1,109,066	106,456			1,215,522	609,929	45,529			655,458	(1,365)	d	1,869,615
Loans held for sale	8,959	844	(19)	e	9,784	6,441				6,441	(218)	e	16,007
Loans held for investment	4,646,533	707,533	(12,579)	e,o	5,341,487	1,064,481	243,457	(2,745)	e	1,305,193	(27,790)	e,p	6,618,890
Allowance for loan losses	(30,132)	(3,670)	3,670	f	(30,132)	(7,120)	(2,265)	2,265	f	(7,120)	7,120	f	(30,132)
Net loans	4,616,401	703,863			5,311,355	1,057,361	241,192			1,298,073			6,588,758
Other Real Estate Owned ("OREO")	6,422	32	(8)	g	6,446	8,665				8,665	(1,665)	g	13,446
Bank premises and equipment, net	140,820	25,153	(2,300)	h	163,673	50,187	4,422	(79)	h	54,530	(3,461)	h	214,742
Goodwill	257,683	20,278	83,567	i,p	361,528	12,286		11,935	i	24,221	200,492	i,p	586,241
Other intangibles	27,228	1,877	7,381	i,p	36,486	11,405	264	3,471	i	15,140	6,209	i,p	57,835
Bank owned life insurance	115,234	22,779			138,013	38,578				38,578			176,591
Deferred income tax asset, net	58,841	4,573	622	j,p	64,036	13,288	738	(1,081)	j	12,945	5,949	j,p	82,930
Prepaid and other assets	107,174	5,581	6,090	c	118,845	15,267	3,602	(57)	k	18,812	1,881	c	139,538
<b>Total Assets</b>	<b>\$ 6,767,479</b>	<b>\$ 955,885</b>			<b>\$ 7,791,330</b>	<b>\$ 1,886,393</b>	<b>\$ 316,542</b>			<b>\$ 2,207,463</b>			<b>\$ 10,134,714</b>
<b>Liabilities and Stockholders' Equity:</b>													
<b>Liabilities:</b>													
Deposits	\$ 5,475,455	\$ 776,053	360	m	\$ 6,251,868	\$ 1,561,098	\$ 237,838	19	m	\$ 1,798,955	968	m	\$ 8,051,791
Other borrowings	303,625	56,887			360,512	76,446	51,045	(37)	n	127,454	27	n	487,993
Corporate debentures	26,075	—			26,075	5,992				5,992	(199)	o	31,868
Payables and other liabilities	72,066	6,437			78,503	19,567	1,479			21,046			99,549
<b>Total liabilities</b>	<b>5,877,221</b>	<b>839,377</b>			<b>6,716,958</b>	<b>1,663,103</b>	<b>290,362</b>			<b>1,953,447</b>			<b>8,671,201</b>
<b>Stockholders' Equity:</b>													
Common Stock	600	80	(9)	b,q	671	20	27	(25)	b,q	22	128	b,q	821
Additional paid in capital	734,059	94,902	89,141	b,q	918,102	202,611	27,277	3,447	b,q	233,335	155,656	b,q	1,307,093
Retained earnings (deficit)	155,257	25,234	(25,234)	c,q	155,257	23,204	(367)	367	q	23,204	(23,204)	c,q	155,257
Unearned employee stock ownership plan ("ESOP") shares		(3,047)	3,047	q									
Accumulated other comprehensive income (loss)	342	(661)	661	q	342	(2,545)	(757)	757	q	(2,545)	2,545	q	342
<b>Total stockholders' equity</b>	<b>890,258</b>	<b>116,508</b>			<b>1,074,372</b>	<b>223,290</b>	<b>26,180</b>			<b>254,016</b>			<b>1,463,513</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 6,767,479</b>	<b>\$ 955,885</b>			<b>\$ 7,791,330</b>	<b>\$ 1,886,393</b>	<b>\$ 316,542</b>			<b>\$ 2,207,463</b>			<b>\$ 10,134,714</b>

See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Information



[Table of Contents](#)

Unaudited Pro Forma Combined Consolidated Statement of Income  
For the year ended December 31, 2016  
(in thousands)

	CenterState as reported	Platinum as reported	Pro Forma adjustment	Gateway as reported	Pro Forma adjustment	CenterState Pro Forma	Sunshine as reported	Pro Forma adjustment	CenterState Sunshine Pro Forma	HCBF as reported	Jefferson as reported	Pro Forma adjustment	Pro Forma Combined
Interest income:													
Loans	\$ 163,625	\$ 22,499	\$ 1,378	\$ 23,953	\$ 846	\$ 212,301	\$ 19,644	\$ 3,046	\$ 234,991	\$ 54,718	\$ 9,051	\$ 8,797	\$ 307,557
Investment securities	22,829	652		4,746		28,227	1,023		29,250	9,542	808	455	40,055
Federal funds sold and other	2,211	598		765		3,574	260		3,834	436	78		4,348
	<u>188,665</u>	<u>23,749</u>		<u>29,464</u>		<u>244,102</u>	<u>20,927</u>		<u>268,075</u>	<u>64,696</u>	<u>9,937</u>		<u>351,960</u>
Interest expense:													
Deposits	6,934	2,790	(980)	3,208	(322)	11,630	1,426	(360)	12,696	4,441	569	(826)	16,880
Other borrowings	2,406	746		422		3,574	588		4,162	1,159	182		5,503
	<u>9,340</u>	<u>3,536</u>		<u>3,630</u>		<u>15,204</u>	<u>2,014</u>		<u>16,858</u>	<u>5,600</u>	<u>751</u>		<u>22,383</u>
Net interest income	179,325	20,213		25,834		228,898	18,913		251,217	59,096	9,186		329,577
Provision (credit) for loan losses	4,962	362		(388)		4,936	350		5,286	4,801	163		10,250
Net interest income after loan loss provision	<u>174,363</u>	<u>19,851</u>		<u>26,222</u>		<u>223,962</u>	<u>18,563</u>		<u>245,931</u>	<u>54,295</u>	<u>9,023</u>		<u>319,327</u>
Non interest income:													
Correspondent banking capital markets revenue	28,817					28,817			28,817				28,817
Other correspondent banking related revenue	4,868					4,868			4,868				4,868
Service charges on deposit accounts	13,564	410		743		14,717	1,368		16,085	2,602			18,687
Debit, prepaid, ATM and merchant card related fees	8,254					8,254			8,254	2,891			11,145
Wealth management related revenue	3,237					3,237			3,237				3,237
Bank owned life insurance income	2,534					2,534	402		2,936	981			3,917
Other non interest income	3,082	420		1,885		5,387	1,208		6,595	5,756	762		13,113
Net gain on sale of securities available for sale	13			800		813	208		1,021	287			1,308
Total other income	<u>64,369</u>	<u>830</u>		<u>3,428</u>		<u>68,627</u>	<u>3,186</u>		<u>71,813</u>	<u>12,517</u>	<u>762</u>		<u>85,092</u>

[Table of Contents](#)

Unaudited Pro Forma Combined Consolidated Statement of Income (continued)  
For the year ended December 31, 2016  
(in thousands, except per share data)

	CenterState as reported	Platinum as reported	Pro Forma adjustment	Gateway as reported	Pro Forma adjustment	CenterState Pro Forma	Sunshine as reported	Pro Forma adjustment	CenterState Sunshine Pro Forma	HCBF as reported	Jefferson as reported	Pro Forma adjustment	Pro Forma Combined
Non interest expense:													
Salaries, wages and employee benefits	\$ 90,881	\$ 9,306		\$ 11,614		\$ 111,801	\$ 10,752		\$ 122,553	\$ 28,002	\$ 3,833		\$ 154,388
Occupancy expense	16,178	1,074		2,190		19,442	2,342		21,784	8,348	1,130		31,262
Data processing expense	6,867	964		1,672		9,503	1,581		11,084	5,696	799		17,579
Professional fees	3,657	521		703		4,881	808		5,689	1,473	139		7,301
Bank regulatory expenses	3,420	453		436		4,309	422		4,731	1,186	112		6,029
Amortization of intangibles	3,074		599 u		1,264 u	4,937	162	1,227 u	6,326	2,524		678 u	9,528
Credit related expenses	1,781	435		(98)		2,118			2,118	2,861			4,979
Marketing expenses	3,125	335		307		3,767	107		3,874	735	153		4,762
Merger related expenses	11,444		(186) v		(11) v	11,247	2,955		14,202	298			14,500
Loss from termination of FDIC loss share agreements	17,560					17,560			17,560				17,560
Other expenses	16,494	1,145		3,228		20,867	2,486		23,353	5,325	744		29,422
Total other expenses	174,481	14,233		20,052		210,432	21,615		233,274	56,448	6,910		297,310
Income before provision for income taxes	64,251	6,448		9,598		82,157	134		84,470	10,364	2,875		107,109
Provision for income taxes	21,910		2,949 w,x	2,804	(33) w	27,630	177	841 w	28,648	4,109	1,067	3,626 w	37,450
Net income (loss)	\$ 42,341	\$ 6,448		\$ 6,794		\$ 54,527	\$ (43)		\$ 55,822	\$ 6,255	\$ 1,808		\$ 69,659
Less: earnings allocated to participating securities	163					163			163				163
Less: preferred stock dividend				130	(130) y	—	—		—	—	—		—
Net income (loss) available to common shareholders	\$ 42,178	\$ 6,448		\$ 6,664		\$ 54,364	\$ (43)		\$ 55,659	\$ 6,255	\$ 1,808		\$ 69,496
Basic earnings (loss) per common share	\$ 0.89	NA		\$ 1.05		\$ 0.97	(\$ 0.01)		\$ 0.88	\$ 0.31	\$ 0.67		\$ 0.89
Diluted earnings (loss) per common share	\$ 0.88	NA		\$ 0.99		\$ 0.95	(\$ 0.01)		\$ 0.86	\$ 0.30	\$ 0.65		\$ 0.87
Weighted average common shares outstanding													
Basic	47,409	NA		6,376		55,932	5,402		63,071	20,052	2,698		78,037
Diluted	48,192	NA		6,751		57,107	5,402		64,348	20,601	2,795		79,555

See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Information

[Table of Contents](#)

Unaudited Pro Forma Combined Consolidated Statement of Income  
For the six months ended June 30, 2017  
(in thousands)

	CenterState as reported	Platinum Mar. 31	Pro Forma adjustment	Gateway Apr. 30	Pro Forma adjustment	CenterState Pro Forma	Sunshine as reported	Pro Forma adjustment	CenterState Sunshine Pro Forma	HCBF as reported	Jefferson as reported	Pro Forma adjustment	Pro Forma Combined
Interest income:													
Loans	\$ 100,868	\$ 5,658	(\$ 430)	\$ 8,243	(\$ 177)	\$ 114,162	\$ 16,215	\$ 1,173	\$ 131,550	\$ 27,671	\$ 5,166	\$ 3,422	\$ 167,809
Investment securities	13,492	150		1,782		15,424	874		16,298	5,875	403	228	22,804
Federal funds sold and other	1,487	65		201		1,753	230		1,983	258	52		2,293
	<u>115,847</u>	<u>5,873</u>		<u>10,226</u>		<u>131,339</u>	<u>17,319</u>		<u>149,831</u>	<u>33,804</u>	<u>5,621</u>		<u>192,906</u>
Interest expense:													
Deposits	4,516	708	129	972	7	6,332	1,120		7,452	2,588	294	(10)	10,324
Other borrowings	1,993	180		193		2,366	497		2,863	544	150		3,557
	<u>6,509</u>	<u>888</u>		<u>1,165</u>		<u>8,698</u>	<u>1,617</u>		<u>10,315</u>	<u>3,132</u>	<u>444</u>		<u>13,881</u>
Net interest income	109,338	4,985		9,061		122,641	15,702		139,516	30,672	5,177		179,025
Provision for loan losses	2,894			78		2,972			2,972	1,563	143		4,678
Net interest income after loan loss provision	<u>106,444</u>	<u>4,985</u>		<u>8,983</u>		<u>119,669</u>	<u>15,702</u>		<u>136,544</u>	<u>29,109</u>	<u>5,034</u>		<u>174,347</u>
Non interest income:													
Correspondent banking capital markets revenue	12,244					12,244			12,244	1,564			13,808
Other correspondent banking related revenue	2,268					2,268			2,268				2,268
Service charges on deposit accounts	7,397	101		338		7,836	1,008		8,844		211		9,055
Debit, prepaid, ATM and merchant card related fees	4,589					4,589			4,589	1,557			6,146
Wealth management related revenue	1,784					1,784			1,784				1,784
Bank owned life insurance income	1,335					1,335	370		1,705	524			2,229
Other non interest income	1,859	3				1,862	845		2,707	2,599			5,306
Net gain on sale of securities available for sale	—			568		568			568	14	237		819
Total other income	<u>31,476</u>	<u>104</u>		<u>906</u>		<u>32,486</u>	<u>2,223</u>		<u>34,709</u>	<u>6,258</u>	<u>448</u>		<u>41,415</u>

[Table of Contents](#)

Unaudited Pro Forma Combined Consolidated Statement of Income (continued)  
 For the six months ended June 30, 2017  
 (in thousands, except per share data)

	CenterState as reported	Platinum Mar. 31	Pro Forma adjustment	Gateway Apr. 30	Pro Forma adjustment	CenterState Pro Forma	Sunshine as reported	Pro Forma adjustment	CenterState Sunshine Pro Forma	HCBF as reported	Jefferson as reported	Pro Forma adjustment	Pro Forma Combined
Non interest expense:													
Salaries, wages and employee benefits	\$ 51,199	\$ 2,327		\$ 4,354		\$ 57,880	\$ 7,325		\$ 65,205	\$ 14,567	\$ 2,179		\$ 81,951
Occupancy expense	5,818	224		895		6,937	1,429		8,366	3,887	563		12,816
Data processing expense	4,245	239		24		4,508	1,101		5,609	2,878	455		8,942
Professional fees	1,820	380		212		2,412	467		2,879	981	(73)		3,787
Bank regulatory expenses	1,618	215				1,833	177		2,010	430	82		2,522
Amortization of intangibles	1,804		105 u		327 u	2,236	205	385 u	2,826	1,143	26	218 u	4,213
Credit related expenses	1,531	40		71		1,642			1,642	804			2,446
Marketing expenses	1,930	72		1		2,003	14		2,017	335	49		2,401
Merger related expenses	10,328	5,456	(6,326) v	4,674	(14,132) v	—			—	380			380
Other expenses	12,559	900		3,185		16,644	1,833		18,477	2,989	\$ 302		21,768
Total other expenses	92,852	9,853		13,416		96,095	12,551		109,031	28,394	3,583		141,226
Income before provision for income taxes	45,068	(4,764)		(3,527)		56,060	5,374		62,222	6,973	1,899		74,536
Provision for income taxes	13,235		785 w,x	(1,544)	5,254 w	17,730	1,943	304 w	19,977	2,541	729	1,240 w	24,487
Net income	\$ 31,833	(\$ 4,764)		(\$ 1,983)		\$ 38,330	\$ 3,431		\$ 42,245	\$ 4,432	\$ 1,170		\$ 50,049
Less: earnings allocated to participating securities	74					74			74				74
Net income available to common shareholders	\$ 31,759	(\$ 4,764)		(\$ 1,983)		\$ 38,256	\$ 3,431		\$ 42,171	\$ 4,432	\$ 1,170		\$ 49,975
Basic earnings per common share	\$ 0.58	NA		NA		\$ 0.64	\$ 0.44		\$ 0.63	\$ 0.22	\$ 0.43		\$ 0.61
Diluted earnings per common share	\$ 0.57	NA		NA		\$ 0.64	\$ 0.43		\$ 0.62	\$ 0.22	\$ 0.42		\$ 0.60
Weighted average common shares outstanding													
Basic	54,490	NA		NA		59,451	7,712		66,590	20,053	2,698		81,556
Diluted	55,397	NA		NA		60,358	7,908		67,765	20,600	2,813		83,423

See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Information

[Table of Contents](#)

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(all amounts are in thousands, except per share data, unless otherwise indicated)**

**Note 1—Basis of Pro Forma Presentation**

The unaudited pro forma combined balance sheet as of June 30, 2017 and the unaudited pro forma combined statements of income for the year ended December 31, 2016 and for the six months ended June 30, 2017 are based on the historical financial statements of CenterState, Sunshine and HCBF after giving effect to the completion of the mergers and the assumptions and adjustments described in the accompanying notes. Such financial statements do not reflect cost savings or operating synergies expected to result from the mergers, or the costs to achieve these cost savings or operating synergies, or any anticipated disposition of assets that may result from the integration of the operations of the three companies. The financial condition and results of operations of HCBF also include the effect of the acquisition of Jefferson, which was completed on July 28, 2017. The historical results of operations for Platinum for the period of January 1, 2017 through March 31, 2017 (the Platinum merger transaction closed on April 1, 2017) are included in the unaudited pro forma combined consolidated statement of income for the six months ended June 30, 2017. The historical results of operations for Gateway for the period of January 1, 2017 through April 30, 2017 (the Gateway merger transaction closed on May 1, 2017) are included in the unaudited pro forma combined consolidated statement of income for the six months ended June 30, 2017. The historical results of operations for Platinum and Gateway for the period of January 1, 2016 through December 31, 2016 are included in the unaudited pro forma combined consolidated statement of income for the year ended December 31, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2016 and for the six months ended June 30, 2017 assume the Platinum and Gateway mergers were completed on January 1, 2016. No pro forma adjustments for Platinum and Gateway are presented for the unaudited pro forma combined consolidated balance sheet since both transactions are already reflected in CenterState's historical financial condition at June 30, 2017. Certain historical financial information has been reclassified to conform to the current presentation.

The transactions will be accounted for under the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). In business combination transactions in which the consideration given is not in the form of cash (that is, in the form of non-cash assets, liabilities incurred, or equity interests issued), measurement of the acquisition consideration is based on the fair value of the consideration given or the fair value of the asset (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measurable.

Under ASC 805, all of the assets acquired and liabilities assumed in a business combination are recognized at their acquisition-date fair value, while transaction costs and restructuring costs associated with the business combination are expensed as incurred. The excess of the acquisition consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill. Changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally affect income tax expense. Subsequent to the completion of the mergers, CenterState, Sunshine and HCBF will finalize an integration plan, which may affect how the assets acquired, including intangible assets, will be utilized by the combined company. For those assets in the combined company that will be phased out or will no longer be used, additional amortization, depreciation and possibly impairment charges will be recorded after management completes the integration plan.

The unaudited pro forma information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the combined company.

**Note 2—Preliminary Estimated Acquisition Consideration**

Under the terms of the Sunshine merger agreement, Sunshine stockholders are entitled to receive 0.89 shares of CenterState common stock for each share of Sunshine common stock.

[Table of Contents](#)

Based on the number of shares of Sunshine common stock outstanding as of June 30, 2017, the preliminary estimated acquisition consideration is as follows.

*(dollars in thousands, except per share data)*

Number of shares of Sunshine common stock outstanding at June 30, 2017	8,021,650
Per share exchange ratio	0.89
Number of shares of CenterState common stock—as exchanged	7,139,269
Multiplied by CenterState common stock price per share on June 30, 2017	\$ 24.86
Estimated fair value of CenterState common stock issued	\$ 177,482
Preliminary estimated total consideration to be paid to Sunshine common shareholders	\$ 177,482
Estimated fair value of Sunshine stock options converted to CenterState stock options	6,632
<b>Total Preliminary Estimated Acquisition Consideration for Sunshine</b>	<b>\$ 184,114</b>

Under the terms of the HCBF merger agreement, HCBF shareholders will be entitled to receive 0.675 shares of CenterState common stock and \$1.925 in cash for each share of HCBF common stock.

Based on the number of shares of HCBF common stock outstanding as of June 30, 2017, the preliminary estimated acquisition consideration is as follows.

*(dollars in thousands, except per share data)*

Number of shares of HCBF common stock outstanding at June 30, 2017	20,052,830
Number of HCBF common shares assumed issued pursuant to acquisition of Jefferson	2,119,020
Total HCBF common shares including shares issued pursuant to acquisition of Jefferson	22,171,850
Per share exchange ratio	0.675
Number of shares of CenterState common stock—as exchanged	14,965,999
Multiplied by CenterState common stock price per share on June 30, 2017	\$ 24.86
Estimated fair value of CenterState common stock issued	\$ 372,055
Total HCBF common shares including shares issued pursuant to acquisition of Jefferson	22,171,850
Multiplied by the cash consideration each HCBF share is entitled to receive	\$ 1.925
Total Cash Consideration	\$ 42,681
Total Stock Consideration	\$ 372,055
Total Cash Consideration	42,681
Preliminary estimated total consideration to be paid to HCBF common shareholders	\$ 414,736
Estimated fair value of HCBF stock options converted to CenterState stock options	17,086
<b>Total Preliminary Estimated Acquisition Consideration for HCBF</b>	<b>\$ 431,822</b>

#### Note 3—Preliminary Estimated Acquisition Consideration Allocation

Under the acquisition method of accounting, the total acquisition consideration is allocated to the acquired tangible and intangible assets and assumed liabilities of Sunshine and HCBF based on their estimated fair values as of the closing of the mergers. The excess of the acquisition consideration over the fair value of assets acquired and liabilities assumed for each acquisition, if any, is allocated to goodwill.

The allocation of the estimated acquisition consideration with regard to Sunshine and HCBF is preliminary because the proposed mergers have not yet been completed. The preliminary allocation is based on estimates, assumptions, valuations, and other studies that have not progressed to a stage where there is sufficient

[Table of Contents](#)

information to make a definitive allocation. Accordingly, the acquisition consideration allocation adjustments will remain preliminary until CenterState management determines the final acquisition consideration and the fair values of the assets acquired and liabilities assumed. The final determination of the acquisition consideration allocation is anticipated to be completed as soon as practicable after the completion of the mergers and will be based on the value of the CenterState common stock at the closing of the mergers. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the amounts presented in the unaudited pro forma combined consolidated financial statements.

The total preliminary estimated acquisition consideration as shown in the tables above is allocated to Sunshine's and HCBF's tangible and intangible assets and liabilities as of June 30, 2017 based on their preliminary estimated fair values as follows (*in thousands*).

	Sunshine	HCBF
Cash and cash equivalents	\$ 45,156	\$ 63,311
Interest-earning time deposits	835	2,739
Investment securities	106,456	654,093
Loans held for sale	825	6,223
Loans held for investment	694,954	1,277,403
OREO (foreclosed assets)	24	7,000
Bank premises and equipment	22,853	51,069
Bank owned life insurance	22,779	38,578
Deferred income tax asset, net	5,195	18,894
Other assets	11,671	20,693
Intangible assets	9,258	21,349
Goodwill	103,845	224,713
Deposits	(776,413)	(1,799,923)
Other borrowings	(56,887)	(127,481)
Corporate debentures	—	(5,793)
Other liabilities	(6,437)	(21,046)
<b>Total Preliminary Estimated Acquisition Consideration</b>	<b>\$ 184,114</b>	<b>\$ 431,822</b>

Approximately \$9,258 and \$21,349 for Sunshine and HCBF, respectively, have been preliminarily allocated to amortizable intangible assets acquired. The amortization related to the preliminary fair value of net amortizable intangible assets is reflected as a pro forma adjustment to the unaudited pro forma condensed combined financial statements.

*Identifiable intangible assets.* The preliminary fair values of intangible assets were determined based on the provisions of ASC 805, which defines fair value in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Intangible assets were identified that met either the separability criterion or the contractual-legal criterion described in ASC 805. The preliminary allocation to intangible assets is allocated to core deposit intangibles.

*Goodwill.* Goodwill represents the excess of the preliminary estimated acquisition consideration over the preliminary fair value of the underlying net tangible and intangible assets. Among the factors that contributed to a purchase price in excess of the fair value of the net tangible and intangible assets are the experience and expertise of personnel, operations, customer base and organizational cultures that can be leveraged to enable the combined company to build an enterprise greater than the sum of its parts. In accordance with ASC Topic 350, *Intangibles—Goodwill and Other*, goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment. In the event management determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of the impairment during the period in which the determination is made.

[Table of Contents](#)

## Note 4—Preliminary Unaudited Pro Forma and Acquisition Accounting Adjustments

The unaudited pro forma financial information is not necessarily indicative of what the financial position actually would have been had the mergers been completed at the date indicated. Such information includes adjustments that are preliminary and may be revised. Such revisions may result in material changes. The financial position shown herein is not necessarily indicative of what the past financial position of the combined companies would have been, nor necessarily indicative of the financial position of the post-merger periods. The unaudited pro forma financial information does not give consideration to the impact of possible cost savings, expense efficiencies, synergies, strategy modifications, asset dispositions or other actions that may result from the mergers.

The following unaudited pro forma adjustments result from accounting for the merger, including the determination of fair value of the assets, liabilities, and commitments that CenterState, as the acquirer, will acquire from Sunshine and HCBF. The Jefferson pro forma adjustments presented below are preliminary fair value estimates prepared by HCBF for the acquisition of Jefferson. The descriptions related to these preliminary adjustments are as follows (*in thousands*):

*Balance Sheet—the explanations and descriptions below are referenced to the June 30, 2017 Unaudited Pro Forma Combined Consolidated Balance Sheet on page 22.*

Pro Forma Adjusting entries (Balance Sheet):	Sunshine		Jefferson		HCBF	
	Debit	Credit	Debit	Credit	Debit	Credit
a Cash				\$ 9,181		\$ 42,681
b Common stock		\$ 71		2		150
b Additional paid in capital		184,043		30,724		388,991
c Cash		18,458				8,550
c Income tax benefit (included in other assets)	\$ 6,090				\$ 1,881	
c Retained earnings	12,368				6,669	
d Investment securities						1,365
e Loans held for sale		19				218
e Loans held for investment		15,981		2,745		44,192
f Allowance for loan losses	3,670		2,265		7,120	
g Other real estate owned ("OREO")		8				1,665
h Property and equipment, net		2,300		79		3,461
i Core deposit intangible ("CDI")	9,258		3,471		21,349	
j Deferred tax asset	902			1,081	8,960	
k Other assets				57		
l Preliminary goodwill estimate	103,845		11,935		224,713	
m Deposits		360		19		968
n Federal Home Loan Bank advances			37			27
o Corporate debentures					199	
p Loans	3,402				16,402	
p Goodwill		20,278				24,221
p CDI		1,877				15,140
p Deferred tax asset		280				3,011
q Common Stock	80		27		22	
q Additional paid in capital	94,902		27,277		233,335	
q Retained earnings	12,866			367	16,535	
q Unearned employee stock ownership plan shares		3,047				
q Accumulated other comprehensive loss		661		757		2,545

a. Payment of the cash consideration component of total merger consideration to shareholders.



[Table of Contents](#)

- b. CenterState common shares issued to Sunshine and HCBF's shareholders representing the stock consideration component of the total respective merger consideration. The pro forma adjustments to additional paid in capital for Sunshine and HCBF also include the estimated fair value of Sunshine and HCBF's stock options, which convert to CenterState stock options. For the purpose of this pro-forma presentation, the value of a share of CenterState common stock was assumed to equal its closing price on June 30, 2017, the pro forma date, as reported by NASDAQ (\$24.86 per share). The amount presented above for Jefferson represents the value of HCBF common shares issued to Jefferson shareholders for the stock consideration component of the total merger consideration.
- c. Represents Sunshine's and HCBF's estimated merger expenses, which are expected to be paid immediately prior to each merger's closing date, the related tax benefit and the net effect on Sunshine's and HCBF's retained earnings. The estimated merger expenses for HCBF also include estimated buyer merger expenses of approximately \$3,958 pursuant to HCBF's acquisition of Jefferson.
- d. Adjust investment securities to estimated fair value.
- e. Adjustment to loans held for sale and loans held for investment to reflect the preliminary estimated fair value.
- f. Adjustment to allowance for loan losses to reflect the reversal of Sunshine's, Jefferson's and HCBF's allowance for loan and lease losses.
- g. Adjustment to OREO to reflect the preliminary estimated fair value associated with CenterState's estimated marketability discounts and liquidation strategy.
- h. Adjustment to branch real estate to reflect the preliminary estimated fair value.
- i. Adjustment to reflect the preliminary estimate of the core deposit intangible.
- j. Adjustment to reflect the net deferred tax asset generated by the net fair value adjustments and existing pre-merger timing differences using an assumed effective tax rate equal to 38.575% for Sunshine and HCBF and 37.63% for Jefferson.
- k. Represents the write-off of certain prepaid expenses included in other assets by HCBF pursuant to the Jefferson acquisition.
- l. Adjustment to reflect the preliminary estimated goodwill generated as a result of consideration paid in excess of the fair value of the net assets acquired.
- m. Adjustment to time deposits to reflect preliminary estimated fair value.
- n. Adjust Federal Home Loan Bank advances to estimated fair value.
- o. Adjustment to corporate debentures to reflect preliminary estimated fair value.
- p. Adjustments to reflect the reversal of existing fair value adjustments to loans and CDI and the related deferred tax asset and goodwill at Sunshine and HCBF from previous acquisitions.
- q. Reflects the reversal of stockholders' equity after adjustments in c above.

*Income Statements—the explanations and descriptions below are referenced to the Unaudited Pro Forma Combined Consolidated Statements of Income for the year ended December 31, 2016 and for the six months ended June 30, 2017 starting on page 23.*

[Table of Contents](#)*Income Statements—Pro Forma Adjustments*

		Year ended Dec. 31, 2016			
Pro Forma Adjusting entries (Income Statements) (in thousands):		Platinum	Gateway	Sunshine	HCBF
r	Preliminary estimate of loan interest accretion	\$ 1,378	\$ 846	\$ 3,046	\$ 8,797
s	Investment securities amortization of fair value adjustment at acquisition date				\$ 455
t	Time Deposits amortization of fair value adjustment at acquisition date	(\$ 980)	(\$ 322)	(\$ 360)	(\$ 826)
u	Remove amortization of existing CDI			(\$ 162)	(\$2,524)
u	Amortization of new CDI	\$ 599	\$ 1,264	\$ 1,389	\$ 3,202
v	Remove merger related fees	(\$ 186)	(\$ 11)		
w	Income tax expense of pro-forma adjustments	\$ 750	(\$ 33)	\$ 841	\$ 3,626
x	Income tax expense for Platinum pretax income using CenterState effective tax rate	\$2,199			
y	Effect of redeeming preferred stock		(\$ 130)		

		Six months ended June 30, 2017			
Pro Forma Adjusting entries (Income Statements) (in thousands):		Platinum	Gateway	Sunshine	HCBF
r	Remove existing interest accretion	(\$ 847)	(\$ 486)		
r	Preliminary estimate of loan interest accretion	\$ 417	\$ 309	\$ 1,173	\$ 3,422
s	Investment securities amortization of fair value adjustment at acquisition date				\$ 228
t	Remove existing time deposit amortization of fair value adjustment	\$ 345	\$ 74		
t	Time Deposits amortization of fair value adjustment at acquisition date	(\$ 216)	(\$ 67)		(\$ 10)
u	Remove amortization of existing CDI	(\$ 150)	(\$ 211)	(\$ 205)	(\$1,143)
u	Amortization of new CDI	\$ 255	\$ 538	\$ 590	\$ 1,361
v	Remove merger related fees	(\$6,326)	(\$14,132)		
w	Income tax expense of pro-forma adjustments	\$2,184	\$ 5,254	\$ 304	\$ 1,240
x	Income tax expense for Platinum pretax income using CenterState effective tax rate	(\$1,399)			

- r. Represents the reversal of existing interest accretion recorded by CenterState for loans acquired from the Platinum and Gateway mergers and the estimate of interest income accretion related to the preliminary estimate of the fair value adjustment of the loans acquired pursuant to the Platinum, Gateway, Sunshine and HCBF mergers.
- s. Represents the estimate of investment securities amortization related to preliminary estimates of the fair value adjustments on investment securities pursuant to the HBCF Merger.
- t. Represents the reversal of existing time deposits amortization recorded by CenterState for time deposits assumed from the Platinum and Gateway mergers and estimates of time deposit amortization related to preliminary estimates of the fair value adjustments on the time deposits acquired pursuant to the Platinum, Gateway, Sunshine and HCBF mergers. The time deposits assumed from Sunshine and HCBF will be adjusted to fair value at the acquisition date. The preliminary estimates of the fair value adjustment at acquisition date from the Sunshine and HCBF mergers are expected to approximate \$360 and \$968, respectively. This amount will be amortized as a decrease to interest expense on a pro rata basis based on the maturities of the underlying time deposits. The amortization for Sunshine is preliminarily estimated to approximate \$360 during the first year of combined operations. The amortization for HCBF is preliminarily estimated to approximate \$826 and \$10 during the first and second year of combined operations, respectively.

[Table of Contents](#)

- u. Represents the reversal of existing CDI amortization recorded by CenterState for deposits assumed from the Platinum and Gateway mergers, existing CDI amortization recorded by Sunshine and HCBF for their prior acquisitions, and estimates of CDI amortization related to preliminary estimates of the fair value adjustments on the time deposits acquired pursuant to the Platinum, Gateway, Sunshine and HCBF mergers. The preliminary estimates of CDI related to CenterState's acquisition of Sunshine and HCBF are expected to approximate \$9,258 and \$21,349, respectively, and will be amortized over a ten-year period on an accelerated basis. The CDI amortization expense for Sunshine and HCBF is expected to be approximately \$1,389 and \$3,202, respectively, during the first year of combined operations. The CDI amortization expense for Sunshine and HCBF is expected to be approximately \$1,180 and \$2,722, respectively, during the second year of combined operations. Below is the preliminary estimated amortization schedule.

Year	Sunshine	HCBF	Year	Sunshine	HCBF
1	\$ 1,389	\$3,202	6	\$ 805	\$1,857
2	1,180	2,722	7	806	1,858
3	1,003	2,314	8	806	1,858
4	853	1,967	9	806	1,857
5	805	1,857	10	805	1,857

- v. Adjustment to reflect the reversal of merger related expenses incurred by CenterState for the Platinum and Gateway mergers.
- w. Adjustment to reflect the income tax provision of the pro forma adjustments using 38.575% as the incremental effective tax rate.
- x. Adjustment to reflect the income tax provision on Platinum's pre-merger pre-tax income assuming CenterState's effective tax rate for the periods presented.
- y. Adjustment to reflect Gateway's redemption of the non-cumulative perpetual preferred stock, series B prior to the closing date of the merger. This was a condition of closing the transaction.

**Note 5—Earnings per Common Share**

Unaudited pro forma earnings per common share for the year ended December 31, 2016 and for the six months ended June 30, 2017 have been calculated using CenterState's historic weighted average common shares outstanding plus the common shares issued to Platinum and Gateway's shareholders in each merger and the common shares estimated to be issued to Sunshine's and HCBF's shareholders in each merger.

The following table sets forth the calculation of basic and diluted unaudited pro forma earnings per common share for the year ended December 31, 2016 and for the six months ended June 30, 2017 (*dollars in thousands, except for per share data*).

	Six months ended June 30, 2017		Year ended December 31, 2016	
	Basic	Diluted	Basic	Diluted
Pro forma net income available to common shareholders	\$49,975	\$49,975	\$69,496	\$69,496
Weighted average common shares outstanding:				
CenterState	54,490	55,397	47,409	48,192
Incremental effect of common shares issued to Platinum shareholders	2,139	2,139	4,279	4,279
Incremental effect of common shares issued to Gateway shareholders	2,822	2,822	4,244	4,636
Common shares issued to Sunshine shareholders	7,139	7,407	7,139	7,241
Common shares issued to HCBF shareholders	14,966	15,658	14,966	15,207
Pro forma weighted average common shares outstanding	81,556	83,423	78,037	79,555
Pro forma net income per common share	\$ 0.61	\$ 0.60	\$ 0.89	\$ 0.87

[Table of Contents](#)**Note 6—Merger Related Charges**

CenterState's preliminary estimated transaction expenses, net of tax, related to the Sunshine and HCBF mergers are approximately \$7,745 and \$10,337, respectively. These one-time merger related expenses have not been included in the Unaudited Pro Forma Combined Consolidated Statement of Income, as the pro forma adjustments do not give consideration to non-recurring items, the impact of possible cost savings, expense efficiencies, synergies, strategy modifications, asset dispositions or other actions that may result from the mergers. Sunshine's and HCBF's preliminary estimated transaction expenses, net of tax, related to the mergers are approximately \$12,368 and \$4,215, respectively. These preliminary estimated merger transaction expenses (CenterState, Sunshine and HCBF) are still being developed and will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts to determine where they may take advantage of redundancies. The preliminary estimated pro forma presentation of merger transaction costs is in the following table (*in thousands*).

	(Seller) Sunshine	(Buyer) CenterState
Change in control and severance expenses	\$16,102	\$ 1,203
System termination fees and system conversion expenses	—	7,162
Investment bankers, accounting, auditing and legal	2,356	1,660
Other related expenses	—	1,546
Total non-interest expense	\$18,458	\$ 11,571
Tax benefit	6,090	3,826
Net expense after tax benefit	<u>\$12,368</u>	<u>\$ 7,745</u>

  

	(Seller) HCBF	(Buyer) CenterState
Change in control and severance expenses	\$ —	\$ 4,541
System termination fees and system conversion expenses	—	4,765
Investment bankers, accounting, auditing and legal	5,000	3,260
Other related expenses	300	2,709
Total non-interest expense	\$5,300	\$ 15,275
Tax benefit	1,085	4,938
Net expense after tax benefit	<u>\$4,215</u>	<u>\$ 10,337</u>

[Table of Contents](#)**RISK FACTORS**

*In deciding how to vote, you should consider carefully all of the information included in this document and its appendices and all of the information incorporated by reference and the risk factors identified by CenterState and Sunshine with respect to their operations included in their filings with the SEC, including in each case the Annual Reports on Form 10-K for the year ended December 31, 2016. See “Where You Can Find More Information” and “Documents Incorporated by Reference.” In addition, you should consider the following risk factors.*

***Because the market price of the CenterState common stock may fluctuate, Sunshine stockholders cannot be sure of the market value of the merger consideration that they will receive in the merger until the closing.***

Upon completion of the merger, each share of Sunshine common stock outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.89 shares of CenterState common stock. The value of the shares of CenterState common stock to be issued to Sunshine stockholders in the merger will fluctuate between now and the closing date of the merger due to a variety of factors, including general market and economic conditions, changes in the parties’ respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of CenterState and Sunshine. Therefore, at the time of the special meeting, Sunshine stockholders will not know or be able to calculate the market value of the CenterState common stock they will receive upon completion of the merger. We make no assurances as to whether or when the merger will be completed. Sunshine stockholders should obtain current sale prices for shares of CenterState common stock before voting their shares of Sunshine common stock at the special meeting.

***Combining the two companies may be more difficult, costly or time consuming than expected, and CenterState may fail to realize all of the anticipated benefits of the merger.***

CenterState and Sunshine have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger will depend on, among other things, CenterState’s ability to combine the businesses of CenterState and Sunshine in a manner that does not materially disrupt the existing customer relationships of either CenterState or Sunshine or result in decreased revenues from customers of either of them. Additionally, CenterState may not be able to successfully achieve the level of cost savings, revenue enhancements and other synergies that it expects. If CenterState is not able to successfully achieve these objectives, then the anticipated benefits of the merger may not be realized fully, if at all, or may take longer to realize than expected. This could have an adverse effect on CenterState’s business, results of operations and stock price.

It is possible that the integration process could take longer than anticipated, result in the loss of key employees, disrupt either CenterState’s or Sunshine’s ongoing businesses or result in inconsistencies in standards, controls, procedures and policies that adversely affect the ability of CenterState or Sunshine to maintain relationships with their respective clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts by CenterState and Sunshine will also divert management attention and resources. These integration matters could have an adverse effect on each of CenterState and Sunshine during the transition period and on the combined company following completion of the merger.

***CenterState is also acquiring HCBF in the HCBF Merger and the conditions to completing that merger may result in delays in completing the Sunshine merger, or make it more difficult or time consuming than expected.***

CenterState announced the proposed acquisition of HCBF in the HCBF Merger on the same date as the Sunshine merger. The HCBF Merger is subject to customary closing conditions, including receipt of regulatory approvals for the HCBF Merger, as well as approvals of the shareholders of HCBF and of CenterState. The preparation and filing of regulatory applications, and a separate joint prospectus/proxy statement, as well as

## [Table of Contents](#)

planning the integration of HCBF at the same time as obtaining the regulatory approvals and planning the integration of Sunshine is time consuming and could divert management attention and resources away from the Sunshine merger. It is possible that because of the complexities involved in acquiring two financial institutions simultaneously, CenterState could experience delays in regulatory approval. This could result in the merger process taking longer than anticipated, which could be costly to both CenterState and Sunshine, disrupt either CenterState's or Sunshine's ongoing businesses relationships with their respective clients, customers, depositors and employees or result in a failure to achieve the anticipated benefits of the Sunshine merger.

### ***The termination fee and the restrictions on third party proposals set forth in the merger agreement may discourage others from trying to acquire Sunshine.***

Until the completion of the merger, with some exceptions, Sunshine is prohibited from soliciting, initiating, encouraging or participating in any discussion of any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person other than CenterState. In addition, Sunshine has agreed to pay to CenterState in certain circumstances a termination fee equal to \$7.068 million. These provisions could discourage other companies from trying to acquire Sunshine even though those other companies might be willing to offer greater value to Sunshine stockholders than CenterState has offered in the merger. Similarly, such a competing company might propose a price lower than it might otherwise have been willing to offer because of the potential added expense of the termination fee that may become payable to CenterState in certain circumstances under the merger agreement. See "The Merger Agreement—Third Party Proposal," "The Merger Agreement—Termination" and "The Merger Agreement—Termination Fee."

### ***If CenterState's stock price decreases below specified thresholds, then Sunshine has the right to terminate the merger agreement and the merger would not occur unless CenterState increases the merger consideration.***

If for a specified period prior to completion of the merger CenterState's average stock price decreases below certain specified thresholds, then Sunshine may terminate the merger agreement subject to CenterState's right (but not obligation) to increase the merger consideration by increasing the exchange ratio and/or by providing a cash payment. If CenterState elects not to increase the merger consideration, Sunshine may then terminate the merger agreement.

As a result, even if Sunshine stockholders approve the merger agreement, the merger may ultimately not be completed. Although the CenterState board of directors has the ability to increase the merger consideration and Sunshine's board of directors has the power to choose not to terminate the merger agreement and proceed with the merger if CenterState does not increase the merger consideration, there is no obligation of either board to exercise such power.

### ***The merger is expected to, but may not, qualify as a tax-free "reorganization" within the meaning of the Code.***

The parties expect the merger to be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and CenterState and Sunshine will receive U.S. federal income tax opinions to that effect from their respective tax counsel and accountants. These tax opinions represent the legal judgement of counsel and the accountants rendering the opinion and are not binding on the IRS or the courts. If the merger does not qualify as a "reorganization," then the Sunshine stockholders may be required to recognize any gain with respect to the consideration received in the merger. Tax matters are very complicated and the consequences of the merger to any particular Sunshine stockholder will depend on that stockholder's particular facts and circumstances. **You should consult your own tax advisor to determine the particular tax consequences of the merger to you.**

### ***Certain of Sunshine's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Sunshine stockholders.***

Certain Sunshine officers and directors have interests in the merger that are different from, or in addition to, the interests of Sunshine stockholders generally. These interests include: certain payments under the existing

[Table of Contents](#)

employment and change in control agreements for certain executive officers of Sunshine; the acceleration of stock options and shares of restricted stock; certain rights to reimbursements with respect to excise taxes under Sections 280G and 4999 of the Internal Revenue Code for an executive officer; and the continuation of director and officer indemnification and liability protections. For a more detailed discussion of these interests, see “The Merger Agreement—Interests of Sunshine Executive Officers and Directors in the Merger.”

***CenterState may incur substantial costs relating to “excess parachute payments” under Sections 280G and 4999 of the Internal Revenue Code.***

Sunshine Bank and Sunshine entered into an employment agreement with Andrew S. Samuel, President and Chief Executive Officer, pursuant to which he is entitled to receive an additional tax indemnification payment (a “gross-up” payment) if the payments and benefits under his employment agreement or any other benefits plans and programs trigger excise tax liability under Sections 280G and 4999 of the Internal Revenue Code for “excess parachute payments.” Under Sections 280G and 4999 of the Internal Revenue Code, the excise tax is triggered by change in control-related payments that equal or exceed three times Mr. Samuel’s average annual taxable compensation over the five calendar years preceding the change in control. The excise tax equals 20% of the amount of the payment in excess of one times Mr. Samuel’s average taxable compensation over the preceding five calendar year period (i.e., the excess parachute payments). Sunshine (or CenterState as successor) may not take a federal tax deduction for Mr. Samuel’s excess parachute payments.

If the merger closes on or prior to January 30, 2018, Sunshine currently estimates that there will be no excess parachute payments made to Mr. Samuel that would trigger any “gross-up” payment to him, so long as Mr. Samuel’s change in control-related payments under his employment agreement and supplemental executive retirement agreement with Sunshine Bank are accelerated and paid in 2017. If the effective time of the merger is delayed and Mr. Samuel’s change in control-related payments cannot be accelerated and paid in 2017 and the excise tax becomes due, CenterState has agreed to honor Mr. Samuel’s employment agreement and pay him the gross-up payment so that he would be in the same after-tax position he would have been in if the excise tax under Sections 280G and 4999 of the Internal Revenue Code had not been imposed.

If an “excess parachute payment” is made to Mr. Samuel, CenterState would incur substantial costs related to the merger due to Mr. Samuel’s gross-up payment and the lost federal tax deduction for Mr. Samuel’s excess parachute payments. See “The Merger—Interests of Sunshine Directors and Executive Officers in the Merger-Related Executive Compensation for Sunshine’s Named Executive Officers” for further details.

***The actual financial positions and results of operations of CenterState, Sunshine and HCBF may differ materially from the unaudited pro forma financial data included in this proxy statement/prospectus.***

The pro forma financial information contained in this proxy statement/prospectus is presented for illustrative purposes only and may not be an indication of what the combined company’s financial position or results of operations would have been had the Sunshine merger and the HCBF Merger been completed on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of CenterState, Sunshine and HCBF, and includes CenterState’s 2017 acquisitions of Platinum and Gateway, and HCBF’s July 2017 acquisition of Jefferson, and certain adjustments and assumptions have been made regarding the combined businesses after giving effect to the transactions. The assets and liabilities of each of Sunshine and HCBF have been measured at fair value based on various preliminary estimates using assumptions that management believes are reasonable utilizing information currently available. The process for calculating the fair value of acquired assets and assumed liabilities requires the use of estimates in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial data and the combined company’s financial position and future results of operations.

[Table of Contents](#)

In addition, the assumptions used in preparing the pro forma financial data may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the closing.

***The opinion that Sunshine has obtained from Hovde has not been, and is not expected to be, updated to reflect any changes in circumstances that may have occurred since the signing of the merger agreement.***

The opinion issued to the Sunshine board of directors by Hovde, financial advisor to Sunshine, with respect to the fairness of the merger consideration to be received by Sunshine stockholders, from a financial point of view, speaks only as of August 11, 2017. Changes in the operations and prospects of CenterState or Sunshine, general market and economic conditions and other factors that may be beyond the control of CenterState and Sunshine, and on which the opinion was based, may have altered the value of CenterState or Sunshine or the price of CenterState common stock as of the date of this proxy statement/prospectus, or may alter such values and prices by the time the merger is completed. Hovde has no obligation to update, revise or reaffirm its opinion to reflect subsequent developments and has not done so. Because Sunshine does not currently anticipate asking Hovde to update its opinion, the opinion will not address the fairness of the merger consideration from a financial point of view as of the date of this proxy statement/prospectus and at the time the merger is completed. The Sunshine board of directors' recommendation that Sunshine stockholders vote for approval of the merger agreement, however, is made as of the date of this proxy statement/prospectus. See "The Merger—Opinion of Financial Advisor of Sunshine" and Appendix B to this proxy statement/prospectus.

***The merger and the bank merger are subject to the receipt of consents and approvals from regulatory authorities that may impose conditions that could have an adverse effect on CenterState.***

Before the merger and the bank merger can be completed, various approvals or consents or waivers must be obtained from bank regulatory authorities. These authorities may impose conditions on the completion of the merger or the bank merger or require changes to their terms. Such conditions or changes and the process of obtaining regulatory approvals or waivers could have the effect of delaying completion of the merger or the bank merger, or imposing additional costs on or limiting the revenues of CenterState following the merger, any of which might have a material adverse effect on CenterState following the merger. The regulatory approvals or waivers may not be received at all, may not be received in a timely fashion, or may contain conditions on the completion of the merger and the bank merger that are burdensome, not anticipated or cannot be met. If the consummation of the merger is delayed, including by a delay in receipt of necessary governmental approvals, the business, financial condition and results of operations of each company may also be materially adversely affected. See "The Merger Agreement—Conditions to Completion of the Merger" beginning on page 98.

***If the Sunshine merger and HCBF Merger were to occur, the pro forma combined company would exceed \$10 billion in assets, which would result in increased costs and/or reduced revenues to the resulting entity and subject the company to increased regulatory scrutiny by its primary federal regulators with respect to its risk management and other activities.***

It is currently expected that, if the Sunshine merger and the HCBF Merger were to both completed, the pro forma combined company would exceed \$10 billion in assets, resulting in the company being subject to additional regulation and oversight that could impact its revenues and/or expenses. Such regulation and oversight includes becoming subject to (i) the annual Dodd Frank Act stress testing or DFAST, designed to assess the company's capital adequacy and risk management practices in the event of certain economic downturn scenarios, (ii) the examination and enforcement authority of the Consumer Financial Protection Bureau with respect to consumer and small business products and services, (iii) deposit insurance premium assessments based on an FDIC scorecard based on, among other things, the bank's CAMELS rating and results of asset-related stress testing and funding-related stress, and (iv) the cap on interchange transaction fees for debit cards, as required by Federal Reserve regulations, which will significantly reduce CenterState's interchange revenue after the mergers. It is possible that the primary federal bank regulators will assess the combined company's readiness to become



[Table of Contents](#)

subject to these and other requirements, with the concurrent increase in expectations by the federal regulators, prior to acting on the regulatory applications required in connection with the merger, thus delaying their approvals which in turn will delay completion of the merger.

It is difficult to predict the overall compliance cost of these provisions, which will become effective (with a phase-in period) when the combined company surpasses \$10 billion in consolidated assets as a result of the merger and the HCBF Merger. However, compliance with these provisions will likely require additional staffing, engagement of external consultants and other operating costs that could have a material adverse effect on the future financial condition and results of operations of the combined company.

***CenterState and Sunshine may waive one or more of the conditions to the merger without re-soliciting Sunshine stockholder approval for the merger.***

The conditions to the obligations of CenterState and Sunshine to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law or by agreement of CenterState and Sunshine. The boards of directors of CenterState and Sunshine may evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and re-solicitation of proxies are necessary. CenterState and Sunshine, however, generally do not expect that any such waiver would be material enough to require re-solicitation of Sunshine stockholders. In the event that any such waiver is not determined to be material enough to require re-solicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval.

***If the merger is not completed, the parties will have incurred significant expenses without realizing the expected benefits of the merger and could be subject to additional risks.***

Prior to completion of the merger, each of Sunshine and CenterState will incur or have incurred substantial expenses in connection with the completion of the transactions contemplated by the merger agreement. If the merger is not completed, CenterState and Sunshine would have to recognize these expenses without realizing the anticipated benefits of the merger. In addition, if the merger is not completed, CenterState and Sunshine may experience negative reactions from the financial markets and from their respective customers and employees. CenterState and/or Sunshine also could be subject to litigation related to any failure to complete the merger or to proceedings commenced by CenterState or Sunshine against the other seeking damages or to compel the other to perform its obligations under the merger agreement. These factors and similar risks could have an adverse effect on the results of operations, business and stock prices of CenterState and Sunshine.

***CenterState shareholders and Sunshine stockholders will have a reduced ownership and voting interest after the merger and the HCBF Merger and will exercise less influence over management.***

CenterState shareholders currently have the right to vote on the election of the board of directors of CenterState and on other matters affecting CenterState. Sunshine stockholders currently have the right to vote on the election of the board of directors of Sunshine and on other matters affecting Sunshine. Upon the completion of the merger, CenterState's shareholders and Sunshine's stockholders will be shareholders of CenterState with a percentage ownership of CenterState that is smaller than such shareholders' current percentage ownership of CenterState or Sunshine. It is currently expected that the stockholders of Sunshine as a group will receive shares in the merger constituting approximately 11.5% of the outstanding shares of the combined company's common stock immediately after the merger, and approximately 9.2% of the outstanding shares of the combined company's common stock immediately after the merger and taking into account the closing of the HCBF merger transaction. Because of this, CenterState shareholders and Sunshine stockholders will have less influence on the management and policies of the combined company than they now have on the management and policies of CenterState or Sunshine.

[Table of Contents](#)***Shares of CenterState common stock to be received by Sunshine stockholders as a result of the merger will have rights different from the shares of Sunshine common stock.***

Upon completion of the merger, the rights of former Sunshine stockholders will be governed by Florida corporate law and the articles of incorporation and bylaws of CenterState. The rights associated with Sunshine common stock, which are governed by Maryland corporate law and the articles of incorporation and bylaws of Sunshine, are different from the rights associated with CenterState common stock. Please see the section entitled “Comparison of Shareholders’ Rights” for a discussion of the different rights associated with CenterState common stock.

***CenterState and Sunshine will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees, customers, suppliers and vendors may have an adverse effect on the business, financial condition and results of operations of Sunshine and CenterState, which could negatively affect CenterState’s combined business operations. These uncertainties may impair CenterState’s or Sunshine’s ability to attract, retain and motivate key personnel pending the consummation of the merger, as such personnel may experience uncertainty about their future roles following the consummation of the merger. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with CenterState or Sunshine, CenterState’s business or Sunshine’s business could be harmed. Additionally, these uncertainties could cause customers (including depositors and borrowers), suppliers, vendors and others who deal with us to seek to change existing business relationships with us or fail to extend an existing relationship with us. In addition, competitors may target each party’s existing customers by highlighting potential uncertainties and integration difficulties that may result from the merger.

The pursuit of the merger and the preparation for the integration may place a burden on each company’s management and internal resources. Any significant diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could have a material adverse effect on each company’s business, financial condition and results of operations.

In addition, in the merger agreement Sunshine has agreed to operate its business in the ordinary course prior to closing, and is restricted from taking certain actions without CenterState’s consent while the merger is pending. These restrictions may, among other matters, prevent Sunshine from pursuing otherwise attractive business opportunities, selling assets, incurring indebtedness, engaging in significant capital expenditures in excess of certain limits set forth in the merger agreement, entering into other transactions or making other changes to its business prior to consummation of the merger or termination of the merger agreement. These restrictions could have a material adverse effect on Sunshine’s business, financial condition and results of operations. Please see the section entitled “The Merger Agreement—Conduct of Business Pending the Merger” for a description of the restrictive covenants applicable to Sunshine and CenterState.

***Failure of the merger to be consummated, the termination of the merger agreement or a significant delay in the consummation of the merger could negatively impact CenterState and Sunshine.***

If the merger is not consummated, the ongoing business, financial condition and results of operations of each company may be materially adversely affected and the market price of the each party’s common stock may decline significantly, particularly to the extent that the current market price reflects a market assumption that the merger will be consummated. If the consummation of the merger is delayed, the business, financial condition and results of operations of each company may be materially adversely affected.

***There is no assurance that CenterState will complete the HCBF Merger transaction.***

Like the Sunshine merger, the HCBF Merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and the approval of HCBF and CenterState shareholders. If any

[Table of Contents](#)

conditions to the HCBF Merger are not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, CenterState and HCBF may terminate the HCBF Merger agreement under certain circumstances even if the merger agreement is approved by HCBF shareholders and CenterState's shareholders. If CenterState and HCBF do not complete the merger, CenterState would not realize any of the expected benefits of having completed the merger. There is no assurance that the HCBF Merger will be consummated, or if it is, the timing for its completion.

***The market price of CenterState common stock after the merger may be affected by factors different from those affecting the shares of CenterState or Sunshine currently.***

Upon completion of the merger, holders of Sunshine common stock will become holders of CenterState common stock. CenterState's business differs from that of Sunshine, and accordingly, the results of operations of CenterState will be affected by some factors that are different from those currently affecting the results of operations of Sunshine. For a discussion of the businesses of CenterState and Sunshine and of some important factors to consider in connection with those businesses, see the sections entitled "The Companies," "Documents Incorporated by Reference", including, in particular, in the section entitled "Risk Factors" in each of CenterState's Annual Report on Form 10-K for the year ended December 31, 2016 and Sunshine's Annual Report on Form 10-K for the year ended December 31, 2016.

***CenterState's ability to pay dividends is limited and it may be unable to pay future dividends.***

During the last two fiscal quarters, CenterState has paid cash dividends of \$0.06 per common share. CenterState's ability to pay dividends is limited by law and regulation and the need to maintain sufficient consolidated capital. The ability of CenterState's subsidiary bank to pay dividends to it is limited by its need to maintain sufficient capital and by other general restrictions on its dividends that are applicable to national banks that are regulated by the OCC. If CenterState does not satisfy these legal and regulatory requirements, it will be unable to pay dividends on its common stock.

***Sunshine stockholders will not be entitled to dissenters' or appraisal rights in the merger.***

Dissenters' or appraisal rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Under the Maryland law, holders of Sunshine common stock do not have the right to dissent from the merger agreement and seek an appraisal in connection with the merger.

[Table of Contents](#)***Pending Litigation Against Sunshine and CenterState Could Result in an Injunction Preventing the Completion of the Merger or a Judgment Resulting in the Payment of Damages.***

On October 9, 2017, Sunshine received notice of a putative class action lawsuit against Sunshine, its directors, and CenterState challenging the proposed transaction. The outcome of any such litigation is uncertain. If this case is not resolved, this lawsuit could prevent or delay completion of the merger and result in substantial costs to Sunshine and CenterState, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the merger is that no order, injunction or decree or other legal restraint or prohibition that prevents consummating the merger, the bank merger or any of the other transactions contemplated by the merger agreement will be in effect. As such, if the plaintiff is successful in obtaining an injunction prohibiting the completion of the merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect CenterState's business, financial condition, results of operations, and cash flows. For more information, see "The Merger Agreement—Litigation Related to the Merger."

[Table of Contents](#)**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus, including information included in, or incorporated by reference into, this proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to: (i) statements about the benefits of the merger, including future financial and operating results and cost savings that may be realized from the merger; (ii) statements about our respective plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning. You should note that the discussion of CenterState’s and Sunshine’s reasons for the merger contain many forward-looking statements that describe beliefs, assumptions, expectations and estimates of the board or management of each of CenterState and Sunshine as of the indicated dates, and those assumptions, expectations and estimates may have changed as of the date of this proxy statement/prospectus. Forward-looking statements are based on current beliefs and expectations of CenterState’s and Sunshine’s management, and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond CenterState’s and Sunshine’s control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements.

The ability to predict results or the actual effects of the combined company’s plans and strategies is inherently uncertain. Some of the factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those identified in the section of this proxy statement/prospectus titled “Risk Factors” beginning on page 35 of this proxy statement/prospectus and the following:

- the risk that the cost savings and any revenue synergies from the merger may not be realized or take longer than anticipated to be realized;
- disruption caused by the merger with customers, suppliers or employees or other business relationships;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;
- a material adverse change in the financial condition of CenterState or Sunshine;
- higher than expected loan losses following the merger;
- lower than expected revenue following the merger;
- CenterState’s ability to complete the HCBF Merger during the same time period as the Sunshine merger;
- CenterState’s ability to manage the combined company’s growth;
- general economic conditions, either nationally or in Florida that are less favorable than expected resulting in, among other things, a deterioration of the quality of the combined company’s loan portfolio and reduced demand for its products and services;
- the failure to obtain the necessary approval by Sunshine stockholders;
- the inability to obtain required governmental approvals of the merger or the inability to obtain such approvals in a timely manner and without the inclusion of burdensome conditions;
- the failure of the closing conditions to be satisfied or any unexpected delay in closing the merger;
- the risk that the integration of CenterState’s and Sunshine’s operations will be materially delayed or will be more costly or difficult than expected;
- the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

[Table of Contents](#)

- increased competition with other financial institutions;
- continuation of the historically low short-term interest rate environment;
- rapid fluctuations or unanticipated changes in interest rates on loans or deposits;
- inability to comply with regulatory capital requirements, including those resulting from changes to the capital calculation methodologies and required capital maintenance levels of regulatory agencies in connection with those agencies' approval of the merger;
- the possibility that the incremental cost and/or decreased revenues associated with exceeding \$10 billion in assets will exceed current estimates;
- changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, including regulatory or legislative developments; and
- general competitive, economic, political and market conditions.

Additional factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to those discussed in the filings of CenterState and Sunshine with the SEC that are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" and "Documents Incorporated by Reference" on page 116.

Because these forward-looking statements are subject to assumptions and uncertainties, CenterState's and Sunshine's actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference into this proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus, and attributable to CenterState or Sunshine or any person acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained or referred to in this "Forward-Looking Statements." CenterState and Sunshine undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

[Table of Contents](#)**HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table sets forth for CenterState, Sunshine and HCBF common stock certain historical, pro forma and pro forma equivalent per share financial information. The pro forma information for CenterState, Platinum and Gateway presented below gives effect to the acquisitions of Platinum and Gateway as if those acquisitions by CenterState had been effective on January 1, 2016 in the case of net income per common share and dividends declared per common share. Because the Platinum acquisition closed on April 1, 2017 and the Gateway acquisition closed on May 1, 2017, the impact of these acquisitions is included in book value per common share amounts at June 30, 2017. The pro forma combined information for CenterState, Sunshine and HCBF also include the effect of HCBF's acquisition of Jefferson, which was completed on July 28, 2017. The historical per share data for CenterState and Sunshine were derived from the financial statements of CenterState and Sunshine that have been filed with the SEC, certain of which are incorporated by reference herein. See "Documents Incorporated by Reference" on page 116.

The pro forma and pro forma equivalent per share information gives effect to the mergers as if the transaction had been effective on the date presented, in the case of book value data, and as if the transactions had been effective on January 1, 2016, in the case of the income and dividend data. The pro forma information in the table assumes that the mergers are accounted for under the acquisition method of accounting.

This information is presented for illustrative purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the mergers had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

	<u>CenterState Historical</u>	<u>CenterState, Platinum and Gateway Pro Forma Combined(1)</u>	<u>Sunshine Historical</u>	<u>CenterState Sunshine Pro Forma Combined(2)</u>	<u>HCBF Historical</u>	<u>Jefferson Historical</u>	<u>CenterState Sunshine HCBF Pro Forma Combined(3)</u>	<u>Sunshine Equivalent Pro Forma(4)</u>
<b>Net Income (Loss) Per Common Share:</b>								
Six Months Ended June 30, 2017								
Basic	\$ 0.58	\$ 0.64	\$ 0.44	\$ 0.63	\$ 0.22	0.43	\$ 0.61	\$ 0.55
Diluted	\$ 0.57	\$ 0.64	\$ 0.43	\$ 0.62	\$ 0.22	0.42	\$ 0.60	\$ 0.53
Year Ended December 31, 2016								
Basic	\$ 0.89	\$ 0.97	(\$ 0.01)	\$ 0.88	\$ 0.31	\$ 0.67	\$ 0.89	\$ 0.79
Diluted	\$ 0.88	\$ 0.95	(\$ 0.01)	\$ 0.86	\$ 0.30	\$ 0.65	\$ 0.87	\$ 0.78
<b>Cash Dividends Declared Per Common Share:</b>								
Six Months Ended June 30, 2017	\$ 0.12	\$ 0.12	—	\$ 0.12	—	—	\$ 0.12	\$ 0.11
Year Ended December 31, 2016	\$ 0.16	\$ 0.16	—	\$ 0.16	—	—	\$ 0.16	\$ 0.14
<b>Common Equity Per Common Share:</b>								
June 30, 2017	\$ 14.84	\$ 14.84	\$ 14.52	\$ 16.00	\$ 11.00	\$ 9.68	\$ 18.00	\$ 16.02

(1) The unaudited pro forma information for CenterState, Platinum and Gateway gives effect to the acquisitions of Platinum and Gateway as if those acquisitions had been effective on January 1, 2016 in the case of net income per common share and dividends declared per common share. Because the Platinum acquisition closed on April 1, 2017 and the Gateway acquisition closed on May 1, 2017, the impact of these acquisitions is included in book value per common share amounts at June 30, 2017.

[Table of Contents](#)

- (2) Pro forma combined amounts are calculated by adding together CenterState, Platinum and Gateway pro forma combined amounts, together with the historical amounts as reported by Sunshine, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Sunshine merger and an estimated 7,139,269 shares of CenterState common stock to be issued in connection with the merger with Sunshine based on the terms of the merger agreement.
- (3) Pro forma combined amounts are calculated by adding together CenterState and Sunshine pro forma combined amounts, which include Platinum and Gateway as defined in (2) above, together with the historical amounts as reported by HCBF and Jefferson, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the HCBF Merger and an estimated 14,965,999 shares of CenterState common stock to be issued in connection with the HCBF Merger based on the terms of the HCBF merger agreement.
- (4) The equivalent pro forma per share data for Sunshine is computed by multiplying CenterState, Sunshine and HCBF pro forma combined amounts by 0.89.



[Table of Contents](#)**COMPARATIVE PER SHARE MARKET PRICES AND DIVIDEND INFORMATION**

CenterState common stock is listed on NASDAQ under the symbol “CSFL,” and Sunshine common stock is listed on NASDAQ under the symbol “SBCP.”

The following tables show, for the indicated periods, the high and low sales prices per share for CenterState common stock and Sunshine common stock, as reported by NASDAQ. Cash dividends declared and paid per share on CenterState common stock are also shown for the periods indicated below. Sunshine has not paid any cash dividends on its shares of common stock.

	CenterState			Sunshine Common Stock		
	High	Low	Dividend	High	Low	Dividend
<b>2017</b>						
First Quarter	\$26.48	\$24.07	\$ 0.06	\$21.39	\$16.44	—
Second Quarter	\$26.27	\$23.74	\$ 0.06	\$23.73	\$19.50	—
Third Quarter	\$27.02	\$21.77	\$ 0.06	\$23.43	\$19.13	—
Fourth Quarter (through October 9, 2017)	\$27.06	\$26.40	\$ —	\$23.64	\$23.01	—
<b>2016</b>						
First Quarter	\$15.72	\$12.57	\$ 0.04	\$15.20	\$14.00	—
Second Quarter	\$16.59	\$14.49	\$ 0.04	\$14.99	\$13.91	—
Third Quarter	\$18.27	\$15.30	\$ 0.04	\$14.83	\$14.00	—
Fourth Quarter	\$25.83	\$17.09	\$ 0.04	\$17.85	\$14.02	—
<b>2015</b>						
First Quarter	\$12.35	\$10.94	\$ 0.01	\$12.60	\$11.82	—
Second Quarter	\$13.98	\$11.70	\$ 0.01	\$15.04	\$12.15	—
Third Quarter	\$15.00	\$12.20	\$ 0.02	\$15.35	\$13.75	—
Fourth Quarter	\$16.24	\$14.24	\$ 0.02	\$15.25	\$13.65	—

The holders of CenterState common stock receive dividends if and when declared by the CenterState board of directors out of funds legally available, subject to certain restrictions imposed by state and federal laws. As of October 9, 2017, CenterState had 60,055,817 shares of common stock outstanding and approximately 1,382 registered shareholders of record. To CenterState’s knowledge and based upon June 30, 2017 available information, approximately 73.9% of CenterState’s outstanding shares at that time were owned by institutional investors, and the only shareholders who owned more than 5% of the outstanding shares of CenterState common stock on June 30, 2017 were BlackRock, Inc. (5.8%), 55 East 52<sup>nd</sup> Street, New York, NY 10055 and Capital Research and Management Company (6.4%), 333 South Hope Street, 55<sup>th</sup> Floor, Los Angeles, CA 90071. As of October 9, 2017, there were 8,026,354 shares of Sunshine common stock outstanding, which were held by approximately 341 holders of record.

On August 11, 2017, the last full trading day before the announcement of the merger agreement, the closing sales price of CenterState common stock as reported on NASDAQ was \$23.93. On October 9, 2017, the latest practicable date before the date of this proxy statement/prospectus, the closing sales price of shares of CenterState common stock as reported by NASDAQ was \$26.89.

On August 11, 2017, the last full trading day before the announcement of the merger agreement, the closing sales price of Sunshine common stock as reported on NASDAQ was \$22.68. On October 9, 2017, the latest practicable date before the date of this proxy statement/prospectus, the closing sales price of shares of Sunshine common stock as reported by NASDAQ was \$23.59.

Sunshine stockholders are advised to obtain current market quotations for CenterState common stock. The market price of CenterState common stock will fluctuate between the date of this proxy statement/prospectus and the effective date of the merger. No assurance can be given concerning the market price of CenterState common stock before or after the effective date of the merger.

[Table of Contents](#)**INFORMATION ABOUT THE SUNSHINE SPECIAL MEETING**

This section contains information for Sunshine stockholders about the special meeting that Sunshine has called to allow Sunshine stockholders to vote on the approval of the merger proposal. The Sunshine board of directors is mailing this proxy statement/prospectus to you, as a Sunshine stockholder, on or about October 17, 2017.

**Time, Date, and Place**

The special meeting is scheduled to be held on November 17, 2017 at 9:00 a.m., local time, at Sunshine Bank, located at 102 West Baker Street, Plant City, Florida 33563.

**Matters to be Considered at the Meeting**

At the special meeting, holders of Sunshine common stock will be asked to:

- approve the merger proposal;
- approve the adjournment proposal; and
- vote on any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the Sunshine board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have previously voted, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is included in this proxy statement/prospectus as Appendix A, and we encourage you to read it carefully in its entirety.

**Recommendation of the Sunshine Board of Directors**

The Sunshine board of directors unanimously recommends that Sunshine stockholders vote “**FOR**” approval of the merger proposal and “**FOR**” approval of the adjournment proposal. See “The Merger—Sunshine’s Reasons for the Merger; Recommendation of the Sunshine Board of Directors.”

**Record Date and Quorum**

October 9, 2017 has been fixed as the record date for the determination of Sunshine stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were 8,026,354 shares of Sunshine common stock outstanding and entitled to vote at the special meeting.

A quorum is necessary to transact business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Sunshine common stock entitled to vote at the special meeting is necessary to constitute a quorum. Shares of Sunshine common stock represented at the special meeting but not voted, including shares that a stockholder abstains from voting and shares held in “street name” and voted by a bank, broker or other nominee even though a stockholder does not provide voting instructions, will be counted for establishing a quorum. Once a share of Sunshine common stock is represented at the special meeting, it will be counted for determining a quorum not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

[Table of Contents](#)**Required Vote**

The affirmative vote of the holders of a majority of the outstanding shares of Sunshine common stock entitled to vote at the special meeting is necessary to approve the merger proposal. If you vote to abstain or if you fail to vote, this will have the same effect as voting against approval of the merger proposal.

The adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Sunshine common stock represented in person or by proxy at the special meeting. Not voting or abstaining on this proposal will have no effect on the outcome of the vote on this proposal.

Each share of Sunshine common stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on all matters properly presented at the meeting.

**Shares Subject to Voting Agreements; Shares Held by Directors and Executive Officers**

A total of 518,593 shares of Sunshine common stock, representing approximately 6.5% of the outstanding shares of Sunshine common stock entitled to vote at the special meeting, are subject to voting agreements between CenterState and each of Sunshine's directors. Pursuant to each director's voting agreement, the director has agreed to, at any meeting of Sunshine stockholders, however called, or any adjournment thereof:

- appear at such meeting or otherwise cause the shares of Sunshine common stock held by such director to be counted as present for calculating a quorum; and
- vote all shares of Sunshine common stock beneficially owned by such director (i) in favor of the merger proposal, (ii) against action or agreement that would result in a breach of any covenant, representation or warranty or other obligation of Sunshine in the merger agreement and (iii) against any acquisition proposal (as defined in "The Merger Agreement—Third Party Proposals") or any other action, agreement or transaction that is intended or could reasonably be expected to impede, delay, discourage or materially and adversely affect the consummation of the transactions contemplated by the merger agreement.

Pursuant to the voting agreements, each director has further agreed not to sell or otherwise dispose of any shares of Sunshine common stock except for certain limited purposes described in the voting agreements. These voting agreements will terminate if the merger agreement is terminated.

On the record date, there were 574,301 shares of Sunshine common stock, or approximately 7.2% of outstanding Sunshine common stock which were owned and entitled to be voted by Sunshine directors and executive officers and their affiliates. As of the record date, neither CenterState nor any of its directors or executive officers owned or had the right to vote any of the outstanding shares of Sunshine common stock.

**How to Vote—Stockholders of Record**

*Voting in Person.* If you are a stockholder of record, you can vote in person by submitting a ballot at the special meeting. Nevertheless, we recommend that you vote by proxy as promptly as possible, even if you plan to attend the special meeting. This will ensure that your vote is received. If you attend the special meeting, you may vote by ballot, thereby canceling any proxy previously submitted.

*Voting by Proxy.* Your proxy card includes instructions on how to vote by mailing in the proxy card. If you choose to vote by proxy, please mark each proxy card you receive, sign and date it, and promptly return it in the envelope enclosed with the proxy card. Alternatively, you may vote through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions. If you sign and return your proxy without instruction on how to vote your shares, your shares will be voted "**FOR**" approval of the merger proposal and "**FOR**" approval of the adjournment proposal. Please do not send in your Sunshine stock certificates with your proxy card.

[Table of Contents](#)**How to Vote—Shares Held in “Street Name”**

If your shares of Sunshine common stock are held through a bank, broker or other nominee, you are considered the beneficial owner of such shares held in “street name.” In such case, this proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote the shares by following the voting instructions that they have sent. Without specific instructions from you, your bank, broker or other nominee is not empowered to vote your shares. Not voting these shares will have the effect of voting against the merger proposal but no effect on the adjournment proposal. Alternatively, if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a proxy executed in your favor by your bank, broker or other nominee.

**How to Vote—Shares Held in the ESOP and 401(k) Plan**

Participants in the ESOP will each receive a Voting Instruction Form that reflects all of the shares that the participant may direct the trustee to vote on his or her behalf under the plan. Under the terms of the ESOP, the ESOP trustee votes all shares held by the ESOP, but each ESOP participant may direct the trustee how to vote the shares of Sunshine common stock allocated to his or her account. The ESOP trustee will vote all unallocated shares of Sunshine common stock held by the ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions.

In addition, participants in the 401(k) Plan with an interest in the Sunshine Bancorp, Inc. Stock Fund will receive a Voting Instruction Form that allows them to direct the 401(k) Plan trustee to vote their interest in the Stock Fund. If a participant does not direct the 401(k) Plan trustee as to how to vote his or her interest in the Stock Fund, the trustee will vote such interest in the same proportion as it has received voting instructions from other 401(k) Plan participants.

The deadline for returning your ESOP Voting Instruction Form and/or 401(k) Voting Instruction Form is November 13, 2017 at 5:00 p.m., local time.

**Revocation of Proxies**

You can revoke your proxy at any time before your shares are voted. If you are a stockholder of record, then you can revoke your proxy by:

- submitting another valid proxy card bearing a later date;
- voting again via the Internet or by telephone not later than 1:00 a.m., Eastern Time, on November 17, 2017;
- attending the special meeting and voting your shares in person; or
- delivering prior to the special meeting a written notice of revocation to Sunshine’s Corporate Secretary.

Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy.

If you hold your shares in street name with a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee to change your vote. Your last vote will be the vote that is counted.

**Solicitation of Proxies**

The proxy for the special meeting is being solicited on behalf of the Sunshine board of directors. In addition, Laurel Hill Advisory Group, LLC, a proxy solicitation firm, will assist Sunshine in soliciting proxies for the special meeting. Sunshine will pay \$6,500 for these services plus out-of-pocket expenses. Sunshine will bear the entire cost of soliciting proxies from you. All other costs and expenses incurred in connection with the merger

---

**[Table of Contents](#)**

and the transactions contemplated thereby are to be paid by the party incurring such expenses. See “The Merger Agreement—Expenses.” Proxies will be solicited principally by mail, but may also be solicited by the directors, officers, and other employees of Sunshine in person or by telephone, facsimile or other means of electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation.

**Attending the Meeting**

All holders of Sunshine common stock, including stockholders of record and stockholders who hold their shares in street name through banks, brokers or other nominees, are cordially invited to attend the special meeting. You must bring a form of personal photo identification with you in order to be admitted at the special meeting. We reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting without Sunshine’s express written consent is prohibited.

**Adjournments and Postponements**

Although it is not currently expected, the special meeting may be adjourned or postponed, including to solicit additional proxies, if there are insufficient votes at the time of the special meeting to approve the merger proposal or if a quorum is not present at the special meeting. Other than an announcement to be made at the special meeting of the time, date and place of an adjourned meeting, an adjournment generally may be made without notice. Any adjournment or postponement of the special meeting to solicit additional proxies will allow the stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

**Questions and Additional Information**

If you have more questions about the merger or how to submit your proxy or vote, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact Sunshine at:

Sunshine Bancorp, Inc.  
102 West Baker Street  
Plant City, Florida 33563  
Telephone: (813) 752-6193  
Attn: Sunshine Investor Relations

[Table of Contents](#)**THE COMPANIES****CenterState**

CenterState is a financial holding company incorporated under Florida law. CenterState owns all the outstanding shares of CenterState Bank. Headquartered in Winter Haven, Florida between Orlando and Tampa, CenterState provides a full range of consumer and commercial banking services to individuals, businesses and industries through its 78 full service banking locations in 28 counties throughout Florida and through a loan production office in Macon, Georgia. CenterState Bank also operates a correspondent banking and bond sales division and owns R4ALL, which acquires and disposes of troubled assets from CenterState Bank.

CenterState also operates, through its subsidiary bank, a correspondent banking and capital markets service division for over 600 small- and medium-sized community banks throughout the United States. Based primarily in Atlanta, Georgia and Birmingham, Alabama, this division earns commissions on fixed income security sales, fees from hedging services, loan brokerage fees and consulting fees for services related to these activities.

CenterState has grown from its formation in 2000 primarily through a series of acquisitions, starting in June 2000 through 2017. Its most recent acquisitions include:

- Gulfstream Bancshares, Inc., in January 2014, which added approximately \$479 million in deposits;
- First Southern Bancorp, Inc., in June 2014, which added approximately \$853 million in deposits;
- Community Bank of South Florida, Inc., in March 2016, which added approximately \$453 million in deposits;
- Hometown of Homestead Banking Company, in March 2016, which added approximately \$253 million in deposits;
- Platinum, in April 2017, which added approximately \$520 million in deposits; and
- Gateway, in May 2017, which added approximately \$708 million in deposits.

At June 30, 2017, CenterState had total consolidated assets of \$6.8 billion, total consolidated loans of \$4.6 billion, total consolidated deposits of \$5.5 billion, and total consolidated shareholders' equity of \$890 million. CenterState's common stock is listed on the NASDAQ Global Select Market under the symbol "CSFL."

CenterState's executive offices are located at 1101 First Street South, Winter Haven, Florida 33880. CenterState's telephone number is 863-293-4710 and its website is [www.centerstatebanks.com](http://www.centerstatebanks.com).

The information on CenterState's website is not part of this proxy statement/prospectus, and the reference to CenterState's website address does not constitute incorporation by reference of any information on that website into this proxy statement/prospectus.

Additional information about CenterState is included in documents incorporated by reference into this proxy statement/prospectus. See "Documents Incorporated By Reference."

**Pending Acquisition of HCBF Holding Company, Inc.**

On August 12, 2017, CenterState entered into an agreement to acquire HCBF, the holding company of Harbor Community Bank. Immediately after the HCBF Merger, Harbor Community Bank, a Florida-chartered commercial bank and a wholly owned subsidiary of HCBF, will merge with and into CenterState Bank, with CenterState Bank as the surviving bank. The HCBF Merger was approved by the boards of directors of each of CenterState and HCBF and is expected to close in the first quarter of 2018. Completion of the HCBF Merger is subject to customary closing conditions, including receipt of required regulatory approvals and approval of

## [Table of Contents](#)

HCBF's and CenterState's shareholders. Under the terms of the HCBF merger agreement, holders of HCBF common stock will receive 0.675 shares of CenterState common stock and \$1.925 in cash for each share of HCBF common stock, which equates to an aggregate transaction value of approximately \$416.7 million as of the date of the HCBF merger agreement (comprised of approximately \$374.0 million of CenterState common stock and \$42.7 million of cash).

At June 30, 2017, HCBF had total consolidated assets of approximately \$1.9 billion, total consolidated loans of approximately \$1.1 billion, total consolidated deposits of approximately \$1.6 billion, and total common shareholders' equity of approximately \$223 million. Effective July 28, 2017, HCBF completed its acquisition of Jefferson Bankshares, Inc., and its subsidiary, Jefferson Bank of Florida, which had approximately \$300 million in assets.

For additional information on the HCBF Merger, including certain pro forma financial information, see "Unaudited Pro Forma Combined Consolidated Financial Information".

## **Sunshine**

Sunshine, a Maryland corporation, is a savings and loan holding company under the Home Owners' Loan Act of 1934, as amended, and the parent company of Sunshine Bank, and is subject to the supervision and regulation of the Federal Reserve. Sunshine Bank is a federally chartered stock savings bank subject to the supervision and regulation of the OCC. Sunshine Bank offers a wide range of retail and commercial banking services. Deposit products include checking, savings, money market, time deposit and individual retirement accounts. Loan products include various types of real estate, consumer, commercial, industrial and agricultural loans. Sunshine Bank also offers mortgage lending; treasury management services for businesses, individuals and non-profit entities including lock box services; remote deposit capture services; ATMs; telephone banking; online and mobile banking services including electronic bill pay and consumer mobile deposits; debit cards, and safe deposit boxes, among other products and services. Through third party providers, Sunshine Bank offers credit cards for consumers and businesses, processing of merchant debit and credit card transactions, and investment brokerage services. Sunshine Bank conducts its operations from its main office in Plant City, Florida and its seventeen additional full-service banking offices located in Brandon, Riverview, Zephyrhills, Lakeland, Winter Haven, Bartow, Plant City, Melbourne, Merit Island, Winter Park, Lake Nona, Kissimmee, Lake Mary, Sarasota, Bradenton, Orlando, and Tampa, Florida.

At June 30, 2017, Sunshine had total consolidated assets of \$955.9 million, total consolidated loans of \$703.9 million, total consolidated deposits of \$776.1 million, and total consolidated shareholders' equity of \$116.5 million.

Sunshine's executive offices are located at 102 West Baker Street, Plant City, Florida 33563. Sunshine's telephone number is (813) 752-6193. The website of Sunshine Bank is [www.mysunshinebank.com](http://www.mysunshinebank.com). The information on the Sunshine Bank website is not part of this proxy statement/prospectus, and the references to the Sunshine Bank website address does not constitute incorporation by reference of any information on its website into this proxy statement/prospectus.

[Table of Contents](#)**THE MERGER****Background of the Merger**

Since its conversion from a federally-chartered mutual savings association to a federally-chartered stock savings bank in July 2014, Sunshine has implemented a long-term strategy of growth and transformation of its balance sheet from that of a traditional thrift institution to a full-service community bank. Sunshine has been successful in executing this strategy through a combination of organic growth, with an emphasis on originating commercial and multi-family real estate loans, and acquisitions of other community banks. Specifically, in 2015 Sunshine acquired Community Southern Holdings, Inc. and its subsidiary Community Southern Bank with approximately \$250.4 million in assets, and in 2016 Sunshine acquired FBC Bancorp, Inc. and its subsidiary Florida Bank of Commerce with approximately \$315.6 million in assets, as well as two additional branch offices from First Federal Bank of Florida in 2015. As the three-year anniversary of Sunshine's conversion to stock form approached (Sunshine was effectively prohibited from entering into a sale of control transaction for three years after its mutual to stock conversion), Sunshine's board of directors also considered the possibility of entering into a strategic business combination with another financial institution. Sunshine's management and board had considered the potential limitations going forward of its current acquisition strategy due to factors such as increasing pricing expectations of potential sellers, the prospects for future economic growth in Sunshine's market area, and Sunshine's outdated core data processing system which is subject to a long-term contract and would inhibit its ability to grow, especially through larger acquisitions that are designed to improve cost efficiencies that Sunshine would otherwise be able to realize with a more up-to-date data processing system.

On October 24, 2016, at an annual strategic meeting of the board of directors, the board discussed the merits of the different opportunities available to Sunshine, including continued organic growth, acquiring smaller financial institutions or combining with a larger financial institution. A representative of an investment banking firm that specializes in representing financial institutions presented an overview of the Florida banking market and discussed acquisition opportunities in Sunshine's market area. A representative of Hovde was also present at the meeting and provided a list of eight institutions that had operations in or near Sunshine's market area that were most likely to have an interest in a business combination with Sunshine and had the financial and operational capacity to complete a transaction. The Hovde representative also provided a list of 14 additional financial institutions that had operations in or near Sunshine's market area that would potentially have an interest in a business combination with Sunshine and had the financial and operational capacity to complete a transaction. At the conclusion of the board meeting, particularly in view of the fact that the three-year anniversary of Sunshine's conversion to stock form had not yet occurred, the board of directors decided to focus on the successful integration of the acquisition of FBC Bancorp, Inc. (which was completed on October 31, 2016), and organic growth with the expectation that the board would revisit its strategic opportunities after the first quarter of 2017.

In the meantime, Andrew S. Samuel, President and Chief Executive Officer, continued to receive information on the mergers and acquisitions market in Florida. For example, in November 2016, he met in two separate meetings with representatives of separate investment banking firms that specialize in representing financial institutions to discuss opportunities to acquire smaller financial institutions operating in the Florida market.

On December 1, 2016, Mr. Samuel attended an investment conference held for financial institutions by another investment banking firm. At that conference, Mr. Samuel met with a senior executive of Company A, a large bank holding company headquartered outside of Florida that was previously identified by Hovde at the October 24, 2016 board meeting as an institution that could have an interest in acquiring Sunshine. The parties discussed the general banking landscape in Florida as well as the mergers and acquisitions market. While the senior executive expressed an interest in a business combination with Sunshine, Mr. Samuel reminded him that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017.



## [Table of Contents](#)

Also, at that conference, Mr. Samuel met with the Chairman of the Board of another large bank holding company headquartered outside of Florida along with a representative of one of the two investment banking firms Mr. Samuel had met with in November. The parties discussed the company's strategy in Florida as well as a potential interest in a business combination with Sunshine. Mr. Samuel reminded him that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017.

At the same conference, Mr. Samuel met with the Chief Executive Officer of Company B, a smaller bank holding company that had previously been identified as a possible target for Sunshine at the October 24, 2016 board meeting. The parties discussed Company B's future plans, as well as the challenges that smaller institutions face in the industry. The Chief Executive Officer indicated his belief that Company B would be looking to sell the institution in the near future.

On December 7, 2016, Mr. Samuel met with the President of another large bank holding company headquartered outside of Florida and a representative of its investment banking firm that specializes in representing financial institutions. Mr. Samuel and the President of the bank holding company discussed generally their businesses and operating philosophies. The President of the bank holding company expressed an interest in expanding its presence in Florida, specifically along the I-4 corridor of Central Florida where many of Sunshine's branches are located. No financial terms were discussed as Mr. Samuel reminded them that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017.

On December 22, 2016, Mr. Samuel spoke with the Chief Executive Officer of another smaller bank holding company, which had previously been identified as a possible target for Sunshine at the October 24, 2016 board meeting. The parties discussed the company's future plans. Mr. Samuel expressed his interest in acquiring the company.

On January 5, 2017, Mr. Samuel met again with the Chief Executive Officer of Company B. The Chief Executive Officer indicated that Company B would be initiating a process to sell its institution in the near future. In the weeks that followed, the senior management of Sunshine analyzed the potential opportunity further and determined that acquiring Company B did not fit within Sunshine's strategic plans. Mr. Samuel conveyed this decision to Company B's financial advisor.

Mr. Samuel continued to meet periodically with representatives of investment banking firms throughout the first half of 2017, primarily to discuss the Florida banking landscape, the mergers and acquisitions market generally in Florida, and merger and acquisition opportunities for Sunshine.

On January 24, 2017, Mr. Samuel met with John C. Corbett, President and Chief Executive Officer of CenterState and CenterState Bank and Stephen D. Young, CenterState's Chief Operating Officer. The parties discussed the acquisitions that CenterState had pending at that time, as well as its acquisition history, including CenterState's successes in integrating the operations and business cultures of the banks it had acquired. The parties also discussed CenterState's general growth and acquisition strategy and the challenges that both parties face in the industry. Mr. Samuel reminded Messrs. Corbett and Young that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017.

On February 15, 2017, Mr. Samuel met with a representative of the correspondent division of CenterState Bank, of which Sunshine was a customer for certain of the division's services. The parties discussed opportunities for the correspondent division to expand its business with Sunshine as a correspondent customer of the division. During that meeting, Mr. Samuel sought a better understanding of the business conducted by the correspondent division, which accounted for approximately 8% of CenterState Bank's assets and approximately 24% of CenterState Bank's net income as of December 31, 2016.

## [Table of Contents](#)

On February 27, 2017, Mr. Samuel met with representatives of Luse Gorman, PC, Sunshine's legal counsel, to discuss strategic and fiduciary considerations for Sunshine in connection with a business combination, the banking industry, and the three-year prohibition under federal regulations against entering into a change in control transaction for recently converted savings banks.

On February 28, 2017, Mr. Samuel had dinner with Mr. Corbett. The parties discussed the pending CenterState merger transactions and the potential strategic value of combining CenterState and Sunshine. Mr. Samuel reminded Mr. Corbett that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017. Following the dinner, Messrs. Samuel and Corbett agreed to talk again likely in the second quarter.

At the suggestion of Company's C financial advisor, on March 3, 2017, Mr. Samuel met with the senior management team of Company C, a large bank holding company headquartered in Florida that was previously identified by Hovde as a possible acquiror of Sunshine at the October 24, 2016 board meeting. The purpose of the meeting was for Company C to provide details to Mr. Samuel about Company C's management team, operations, business culture and prospects. The parties discussed Company C's general growth and acquisition strategy. The discussion focused on Company C's interest in Sunshine and how its franchise fit within Company C's strategic plans. Mr. Samuel reminded Company C's senior management team that Sunshine was not permitted to entertain any offers to merge until after the three-year anniversary of its mutual-to-stock conversion in July 2017.

On March 9, 2017, Mr. Samuel spoke with the Chief Executive Officer and the Chief Financial Officer of another smaller bank holding company, which had previously been identified as a possible acquisition target for Sunshine at the October 24, 2016 board meeting. The parties discussed Sunshine's strategic plans, as well as the challenges that smaller institutions face in the industry.

On March 20, 2017, Mr. Samuel met with the Chief Executive Officer of another large bank holding company headquartered outside of Florida, which had previously been identified as a possible acquiror of Sunshine at the October 24, 2016 board meeting. A representative of an investment banking firm that specializes in representing financial institutions also attended the meeting. The bank holding company expressed an interest in expanding its presence in Florida, particularly in Sunshine's market area. Mr. Samuel and the Chief Executive Officer discussed the bank holding company's general growth and acquisition strategy. The discussion focused on the bank holding company's interest in Sunshine and how Sunshine's franchise fit within the bank holding company's strategic plans. However, the banking holding company's interest in Sunshine was tempered as it had other market priorities at the time.

On March 28, 2017, Mr. Samuel spoke by phone with the Chief Executive Officer of another large bank holding company headquartered outside of Florida that had previously been identified as a possible acquiror of Sunshine at the October 24, 2016 board meeting. The parties discussed the Florida banking market generally. A potential combination with Sunshine was not discussed specifically, but the parties agreed to communicate at a later date as Sunshine's three-year mutual- to-stock conversion anniversary approached if there was still a mutual interest between the parties.

On March 30, 2017, Mr. Samuel met with the Chief Executive Officer and the Chief Financial Officer of another large bank holding company headquartered outside of Florida, which had previously been identified as a possible suitor for Sunshine at the October 24, 2016 board meeting. The bank holding company expressed an interest in expanding its existing presence in Florida, specifically along the Florida I-4 corridor. A potential combination with Sunshine was not discussed specifically, but the parties agreed to communicate at a later date as Sunshine's three-year mutual- to-stock conversion anniversary approached if there was still a mutual interest between the parties.

On April 6, 2017, Mr. Samuel met with members of senior management of Company D, a large bank holding company headquartered outside of Florida with offices in Florida, which had previously been identified

## [Table of Contents](#)

as a potential acquirer of Sunshine at the October 24, 2016 board meeting. The institution expressed an interest in expanding its presence in Florida. There were no specific discussions regarding a potential business combination, but Mr. Samuel and Company D agreed to stay in contact pending Sunshine's three-year anniversary of its mutual-to-stock conversion.

On April 25, 2017, Mr. Samuel and Brent Smith, Senior Vice President, Corporate Development at Sunshine met with Mr. Corbett, Mr. Young and Jennifer Idell, CenterState's Chief Financial Officer. The purpose of the meeting was for CenterState to further its understanding of Sunshine's operations as part of its preliminary analysis relating to whether to make an offer to acquire Sunshine after the three-year anniversary of its mutual-to-stock conversion. The discussion also focused on Sunshine's first quarter 2017 earnings, which had been made publicly available on April 17, 2017, to gain a better understanding of Sunshine's projected revenue stream and expense structure.

On April 27, 2017, the CenterState board of directors at a regularly scheduled meeting heard a presentation from Mr. Corbett on possible merger and acquisition activities during 2017, which included a discussion of possible interest in an acquisition of Sunshine, among other institutions in Florida in which CenterState might be interested.

On May 18, 2017, Mr. Samuel, Mr. Smith and John Finley, Executive Vice President and Chief Financial Officer of Sunshine again met with the senior management team of Company C to discuss Company C's future plans. The purpose of the meeting was for Company C to further its understanding of Sunshine's operations to determine whether to make an offer to acquire Sunshine after the three-year anniversary of its mutual-to-stock conversion. The discussion also focused on Sunshine's first quarter 2017 earnings to gain a better understanding of its projected revenue stream and expense structure. The parties also discussed the trading price of their respective companies' common stock, noting the significant increase in the trading price of Sunshine common stock in recent months and how the stock was trading at elevated levels compared to its historic levels and those of its peers. The parties also discussed potential cost savings that could be realized in a transaction.

On May 19, 2017, Messrs. Samuel and Smith met with Messrs. Corbett and Young to discuss the general parameters of a potential indication of interest to acquire Sunshine after the three-year anniversary of its mutual-to-stock conversion. The parties discussed the trading price of the two parties' common stock, noting the significant increase in the trading price of Sunshine common stock in recent months and how Sunshine's stock was trading at elevated levels compared to its historic levels and those of its peers. The parties also discussed potential cost savings that could be realized in a potential transaction. The parties further discussed the status of the integration of the two banks recently acquired by CenterState. Finally, the parties discussed CenterState's prospects, its preparations from a regulatory standpoint for approaching the \$10 billion asset level and how Sunshine might factor into CenterState's strategic plans.

On May 24, 2017, at a regular meeting of Sunshine's board of directors, a representative of Hovde provided an update on the mergers and acquisitions market in Florida, including transactions completed and applicable pricing ratios. The Hovde representative identified a list of eight bank holding companies with operations in or near Sunshine's market area that were most likely to have an interest in Sunshine and the financial and operational capacity to acquire Sunshine, including the price ranges that each party had the capacity to pay. Seven of the eight financial institutions on this list were the same as those identified by Hovde to the board at its presentation on October 24, 2016. The presentation also included an analysis of the potential value that Sunshine could realize in a merger transaction as well as a summary of the top ten transactions involving the sale of Florida banks since January 1, 2013 (as measured by the price paid as a percentage of tangible book value). The summary included a comparison of various pricing metrics of the transactions.

In late May, a representative of Hovde spoke to the President at Company A to inquire as to its interest in acquiring Sunshine. The President of Company A indicated that Company A would continue to analyze the opportunity and would get back to Hovde.

## [Table of Contents](#)

In mid-June, a representative of Hovde spoke to the Chief Financial Officer of Company C to gauge Company's C interest in a business combination with Sunshine. The Chief Financial Officer of Company C noted that while Company C was currently in the middle of other strategic initiatives, it remained interested in Sunshine and would continue its analysis of Sunshine and remain in touch.

In mid-June, a representative of Hovde contacted the head of mergers and acquisitions at Company D to ascertain Company D's interest in Sunshine. The head of mergers and acquisitions of Company D noted that he was very familiar with Sunshine and had analyzed Company's D ability to make an offer for Sunshine. However, he indicated that Company D was unable to pay more than \$16.70 per share to acquire Sunshine.

In late June, the President of Company A called a representative of Hovde to let him know that they were not able to justify an offer over \$20 per share, which was materially lower than the then-current trading price of Sunshine's common stock. As a result, it did not intend to submit a bid when such a bid was possible, but indicated that it would be willing to revisit its analysis of Sunshine in 2018 following the completion of its strategic initiatives.

In the two weeks leading up to the three-year anniversary of Sunshine's mutual-to-stock conversion, certain executives and financial advisors from both CenterState and Company C called Mr. Samuel and a representative of Hovde on various occasions. Both parties continued to express an interest in making an offer to acquire Sunshine and wanted to confirm the appropriate method and timing for an offer to be in compliance with regulatory restrictions on acquiring Sunshine for three years after its mutual-to-stock conversion.

On July 14, 2017, Mr. Samuel received a call from the Chief Executive Officer of Company C. He indicated that while Company C had an interest in acquiring Sunshine, based on Sunshine's current stock price, it was having difficulty in formulating an attractive bid for Sunshine. In addition, Company C believed that due to its current pending merger transactions it could have difficulty securing regulatory approval for an additional transaction at that time. As a result, Company C advised Mr. Samuel that it would not be making an offer for Sunshine and further indicated that Company C did not expect to be active in the mergers and acquisitions market for the rest of the year.

CenterState submitted a written non-binding indication of interest letter, dated July 17, 2017, in which it proposed to acquire 100% of the common stock of Sunshine in an all-stock transaction. Pursuant to the letter of interest, each Sunshine stockholder would receive between \$21.58 and \$22.08 per share based on a fixed exchange ratio of between 0.87 and 0.89 shares of CenterState common stock for each share of Sunshine common stock (using a CenterState stock price of \$24.81 per share). A draft of a proposed definitive merger agreement was included with the indication of interest letter.

On July 17, 2017, the Sunshine board of directors met to discuss the terms of the CenterState indication of interest. Representatives of Luse Gorman and Hovde also participated in the meeting. A representative of Luse Gorman summarized the Sunshine board's fiduciary duties in the context of merger transactions generally, as well as an all-stock transaction such as that offered by CenterState. During the meeting, the Hovde representative identified a list of nine financial institutions that had operations in or near Sunshine's market area that were most likely to have an interest in Sunshine, and the financial and operational capacity of each institution to acquire Sunshine, showing the price that each party would be expected to have the capacity to pay based on certain assumed levels of desired earnings accretion and acceptable tangible book value dilution. Eight of the nine institutions on this list were the same as those identified by Hovde to the Sunshine board during Hovde's presentation on May 24, 2017. Based on conversations it had with each of the listed financial institutions, the representative of Hovde explained why Hovde believed each of the potential acquirors on the list (other than CenterState) did not submit an expression of interest to acquire Sunshine. The reasons for not pursuing a transaction with Sunshine included being preoccupied with other merger transactions, challenges involved in integrating previously acquired banks, having regulatory or compliance issues with banking regulators, having limited interest in Sunshine's branch footprint, or an inability to make an offer within the price range represented by the CenterState offer.

[Table of Contents](#)

The Hovde representative also summarized the terms of the proposed transaction with CenterState, highlighting the implied value being offered by CenterState based on several calculations of the value of CenterState common stock and noting certain transaction pricing multiples. The presentation compared CenterState's offer to a summary of the top ten merger transactions completed in Florida since January 1, 2013 (as measured by the price paid as a percentage of tangible book value). The Hovde representative also analyzed the value of Sunshine common stock using a number of different assumptions. He summarized key financial and operating data for both companies, and presented the branch footprint and loan and deposit composition of the two banks on a pro forma basis. The Hovde representative also summarized an analysis whereby instead of proceeding with the CenterState offer, Sunshine acquired a smaller institution in an all-stock transaction and the financial implications of choosing such a strategy. Following extensive discussion, the board voted to authorize Mr. Samuel to: (1) execute the indication of interest letter; (2) enter into a confidentiality agreement with CenterState; and (3) engage Hovde as Sunshine's financial advisor for the transaction. Before executing the indication of interest letter, Sunshine requested that the pricing range be revised to a fixed exchange ratio of 0.89. CenterState agreed to this change. Mr. Samuel then executed the indication of interest letter on behalf of Sunshine.

On July 17, 2017, following the board meeting, the compensation committee of the Sunshine board of directors met. Mr. Samuel reviewed the current agreements and plans that Sunshine maintained and provided written calculations of the potential payments that could be triggered in the event of a change in control of Sunshine and discussed the calculations with the committee.

On July 18, 2017, a data room containing due diligence materials relating to Sunshine was established by Hovde and Sunshine and was made available to CenterState and its advisors.

On July 18, 2017, Smith Mackinnon PA, legal counsel for CenterState, provided Luse Gorman with drafts of ancillary documents to the merger agreement, which consisted of a form of bank merger agreement, voting agreement, non-competition and disclosure agreement and a release of claims letter. From the middle of July until the middle of August 2017, Sunshine and Luse Gorman reviewed and negotiated the terms of the merger agreement and related documents with CenterState and Smith Mackinnon. The revisions focused on, among other things, the representations, warranties and covenants of Sunshine and CenterState.

At a regularly scheduled meeting of the CenterState board of directors on July 20, 2017, at which representatives of Keefe, Bruyette & Woods, Inc. ("KBW"), CenterState's financial advisor, were present, the CenterState board of directors reviewed the acquisitions market in Florida, as well as a profile of Sunshine, including its branch network, financial metrics and prospects. The CenterState board of directors reviewed the proposed merger consideration and the financial assumptions relating to it. The CenterState board of directors also reviewed a separate transaction with which CenterState was in negotiations, and discussed the merits of pursuing both transactions at the same time. During that meeting, the CenterState board of directors authorized CenterState management to continue to pursue both potential transactions.

On July 26, 2017, the compensation committee of Sunshine's board of directors met. A representative of Luse Gorman participated in the meeting and reviewed the current employment agreements and change in control agreements that were in place with senior management, the supplemental executive retirement plan with Mr. Samuel, as well as Sunshine's stock incentive plan and employee stock ownership plan, and explained how

[Table of Contents](#)

each would be affected in the event of a change in control of Sunshine. He also reviewed a memorandum to the board of directors and spreadsheet, each prepared by Luse Gorman, summarizing in detail the cash and stock distributions that would be due employees, management and the board in the event of a change in control. He also summarized his discussion of these benefits that he had with CenterState's legal counsel. Also on July 26, 2017, representatives of Sunshine and CenterState and each of their respective legal and tax advisors and consultants had a conference call discussing the cash and stock distributions that would be due employees and management of Sunshine in the event of a change in control and the implications of those distributions.

On July 31, 2017, members of Sunshine's management, along with representatives of Luse Gorman and Saltmarsh, Cleveland & Gund, a consulting firm retained by Sunshine, interviewed CenterState's management as part of its on-site reverse due diligence effort. Sunshine and its advisors conducted their due diligence to determine, among other things, if there were any issues concerning CenterState that may affect the suitability of CenterState as a merger partner or its ability to secure regulatory approval for the transaction.

On August 3, 2017, Mr. Corbett notified Mr. Samuel that CenterState had also been in negotiations to acquire HCBF and planned to announce the acquisition of HCBF, and its subsidiary Harbor Community Bank, simultaneously with the announcement of CenterState's merger with Sunshine.

On August 4, 2017, CenterState, Sunshine and HCBF executed a confidentiality agreement so that CenterState could provide Sunshine and HCBF confidential information about each other's transaction.

On August 7, 2017, Sunshine convened a meeting of its board of directors to review the proposed merger with CenterState. Sunshine's senior management and legal and financial advisors participated in the meeting. Mr. Samuel notified the board that CenterState had also been in negotiations with HCBF and planned to announce the acquisition of HCBF, and its subsidiary Harbor Community Bank, simultaneously with the announcement of a merger with Sunshine. He indicated the steps management was undertaking to fulfill its due diligence regarding that transaction. A representative of Hovde then summarized the operational and financial aspects of each of CenterState, Sunshine and HCBF, and provided the board with a pro forma branch footprint and loan and deposit composition showing the combined three financial institutions based on publicly available information. The Hovde representative also detailed the financial impact of the two merger transactions on the pro forma company and presented the transaction pricing multiples and compared them to the top 15 transactions completed in Florida since January 1, 2013 (as measured by the price paid as a percentage of tangible book value). A representative of Luse Gorman also reviewed in detail the terms of the merger agreement and ancillary documents (copies of which previously had been sent to the members of the board of directors on July 17, 2017 with the revised drafts distributed at the current meeting), including the: (1) voting agreements to be entered into by each director; (2) non-competition and non-solicitation agreements to be entered into by each director; (3) a release of claims letter to be entered into by each director; and (4) a non-competition agreement and non-solicitation agreement to be entered into by Mr. Samuel.

On August 10, 2017, the CenterState board of directors met to review the proposed merger of Sunshine and of HCBF with CenterState. Representatives of KBW also participated in the meeting. Mr. Corbett summarized the Florida market and the strategic value of partnering with each of Sunshine and HCBF given their branch locations, core deposit makeup, the prospect for cost savings from each transaction as well as value creation for shareholders. Mr. Young reviewed the financial terms of each proposed transaction with CenterState separately and together, highlighting the implied value of each transaction based on several calculations of the value of CenterState common stock and noting certain transaction pricing multiples. He also summarized the value being assigned to each institution's loans, real estate and deposits, the risks to CenterState in pursuing both transactions simultaneously, and the impact to CenterState from a cost and infrastructure viewpoint of the resulting entity having assets in excess of \$10 billion. Mr. Bockhorst summarized the results of CenterState's due diligence review of each institution. KBW discussed with the CenterState board of directors financial aspects of the proposed merger with Sunshine and of the proposed merger with HCBF. Beth DeSimone, General Counsel of CenterState, summarized the obligations and duties of the CenterState directors in merger transactions, and then

## [Table of Contents](#)

summarized the terms and conditions of the merger agreement with Sunshine and the terms and conditions of the merger agreement with HCBF, as well as CenterState's discussions with its regulators about each transaction. After discussion, it was agreed that the CenterState board would further consider the two transactions on August 12, 2017.

On August 11, 2017, Sunshine convened another meeting of its board of directors to review the proposed merger with CenterState. The board of directors was informed of the results of the final due diligence review of CenterState by a representative of Saltmarsh, Cleveland & Gund who provided the board with a memorandum summarizing the firm's findings. The Saltmarsh, Cleveland & Gund representative summarized its findings relating to CenterState, including its readiness to pass the \$10 billion asset threshold, and its proposed acquisition of HCBF. A representative of Hovde made a presentation regarding the fairness of the proposed merger consideration to Sunshine's stockholders from a financial point of view and delivered its written opinion, dated August 11, 2017, and subject to the limitations and qualifications set forth in the opinion, that the merger consideration was fair to Sunshine's stockholders from a financial point of view. A representative of Luse Gorman again reviewed in detail the board's fiduciary duties in the context of the proposed transaction as well as the terms of the merger agreement and ancillary documents, including the: (1) voting agreements to be entered into by each director; (2) non-competition and non-solicitation agreements to be entered into by each director; (3) a release of claims letter to be entered into by each director; and (4) a non-competition agreement and non-solicitation agreement to be entered into by Mr. Samuel.

Following these presentations and discussions and review and discussion among the members of Sunshine's board of directors, including consideration of the factors described under "Recommendation of Sunshine's Board of Directors and Reasons for the Merger," the Sunshine board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger of Sunshine Bank and CenterState Bank, were advisable and in the best interests of Sunshine and its stockholders, and the directors unanimously voted to approve and adopt the merger agreement and the transactions contemplated thereby and recommended that Sunshine's stockholders approve the merger agreement.

On August 12, 2017, the CenterState board of directors met to consider and vote on the proposed merger with Sunshine and to consider and vote on the proposed merger with HCBF. A representative of KBW also participated in the meeting. Mr. Corbett summarized the final terms of the proposed merger with Sunshine and summarized the final terms of the proposed merger with HCBF. Ms. DeSimone reminded the CenterState directors of the board's obligations and duties in merger transactions. Following these presentations and discussions among the CenterState board of directors, including consideration of the factors described under "CenterState's Reasons for the Merger," the CenterState board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger of Sunshine Bank and CenterState Bank, were advisable and in the best interests of CenterState and its shareholders, and the directors unanimously voted to approve and adopt the merger agreement and the transactions contemplated thereby.

On Saturday, August 12, 2017, following the completion of the Sunshine and CenterState board meetings, and following the close of the market, the merger agreement and ancillary documents were executed and delivered. Before the opening of the market on Monday, August 14, 2017, CenterState issued a press release announcing the execution of the merger agreement.

### **Recommendation of Sunshine's Board of Directors and Reasons for the Merger**

After careful consideration, Sunshine's board of directors, at a meeting held on August 11, 2017, determined that the merger agreement is in the best interests of Sunshine and its stockholders. Accordingly, Sunshine's board



## [Table of Contents](#)

of directors approved and adopted the merger agreement and the merger and the other transactions contemplated by the merger agreement and recommends that Sunshine stockholders vote “**FOR**” the approval of the merger proposal. In reaching its decision to approve and adopt the merger agreement and the merger and the other transactions contemplated by the merger agreement, and to recommend that its stockholders approve the merger proposal, the Sunshine board of directors consulted with Sunshine’s management, as well as its financial and legal advisors, and considered a number of factors, including among others, the following, which are not presented in order of priority:

- the business strategy and strategic plan of Sunshine, its prospects for the future, its ability to achieve its strategic plan and projected financial results;
- the consideration offered by CenterState, which (according to the fairness opinion materials prepared by Hovde and presented to the Sunshine board of directors) represents: 194.7% of Sunshine’s tangible book value; 58.1x Sunshine’s trailing 12-month earnings; and a 13.7% core deposit premium;
- the strategic options available to Sunshine and the board of directors’ assessment of those options, as well as the prospects for Sunshine’s execution of its business plan as an independent entity under various scenarios, and the board’s determination that none of those options or the implementation of Sunshine’s business plan was more likely to create greater present value for Sunshine’s stockholders than the value to be paid by CenterState;
- the challenges facing Sunshine’s management to grow Sunshine’s franchise and enhance stockholder value given current market conditions, including increased operating costs resulting from regulatory and compliance mandates, continued pressure on Sunshine’s net interest margin from the current interest rate environment and competition;
- the merger consideration offered by CenterState equaled or exceeded the consideration that could reasonably be expected from other potential acquirers with apparent ability to consummate an acquisition of Sunshine;
- that the merger consideration consisted solely of stock, which would allow Sunshine stockholders to participate in the future performance of the combined company;
- the strong capital position of the combined company and the larger scale and more diverse revenue base of the combined company;
- the ability of CenterState to pay the merger consideration and the relative value of the CenterState currency compared to its peers;
- the ability of CenterState to execute a merger transaction from a financial and regulatory perspective, and its recent history of being able to successfully integrate merged institutions into its existing franchise;
- the geographic fit with CenterState and the increased customer convenience of the expanded branch network of CenterState;
- that Sunshine’s antiquated data processing system, which is subject to a long-term contract, would inhibit its ability to grow, especially through larger acquisitions that are designed to improve cost efficiencies that Sunshine would otherwise be able to realize with a more contemporary data processing system;
- CenterState’s business, operations, financial condition, asset quality, earnings and prospects, taking into account the results of Sunshine’s due diligence review of CenterState, and information provided by Sunshine’s financial advisor;
- that the merger will qualify as a “reorganization” under the Internal Revenue Code and the expectation that Sunshine’s stockholders will not recognize any gain or loss for U.S. federal income tax purposes as a result of the completion of the merger;



## [Table of Contents](#)

- the current economy of Central Florida and the prospects for future economic growth of the Florida economy;
- the historical stock market performance for Sunshine's and CenterState's common stock;
- the greater legal lending limit that would result from the merger, along with more products and services that would be offered to Sunshine's customers;
- the greater market capitalization of CenterState, its record of paying quarterly cash dividends, and the greater trading liquidity in CenterState's common stock compared to Sunshine's common stock, particularly on a pro forma basis after giving effect to the merger and the HCBF Holding Company merger;
- certain structural protections included in the merger agreement, including:
  - that the merger agreement does not preclude a third party from making an unsolicited acquisition proposal to Sunshine and that, under certain circumstances more fully described under "The Merger Agreement—Third Party Proposals," Sunshine may furnish non-public information to and enter into discussions with such a third party regarding an acquisition proposal;
  - the ability of Sunshine to terminate the merger agreement if the price of CenterState's common stock drops more than 15% relative to both its price before public announcement of the transaction and the Nasdaq Bank Index and CenterState elects not to increase the merger consideration to offset the decline in its stock price;
  - the ability of Sunshine to terminate the merger agreement to enter into a definitive agreement for a superior proposal if certain requirements are met, in each case subject to the payment of a termination fee by Sunshine of \$7.1 million, an amount that was negotiated at arm's-length and was determined by the Sunshine board of directors to be reasonable under the circumstances and generally comparable to termination fees in other similar transactions; and
  - the covenant of CenterState to use its reasonable best efforts to obtain regulatory approval;
- the financial analysis presented by Hovde to Sunshine's board of directors, and Hovde's opinion delivered to Sunshine's board of directors to the effect that, as of the date of the opinion, and subject to and based on the qualifications and assumptions set forth in the opinion, the merger consideration to be received by the holders of Sunshine common stock is fair, from a financial point of view, to such stockholders;
- the similarities between the corporate cultures of the two organizations, and the anticipated effect of the merger on Sunshine's employees (including that Sunshine employees who do not continue as employees of CenterState will be entitled to severance benefits); and
- the likelihood of expeditiously obtaining the necessary regulatory approvals without unusual or burdensome conditions.

The Sunshine board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

- that CenterState was announcing the acquisition of another, larger financial institution concurrently with the acquisition of Sunshine and the challenges of timely obtaining regulatory approvals and integrating two banking institutions at the same time;
- the potential risk of diverting management's attention and resources from the operation of Sunshine's business and towards the completion of the merger;
- the restrictions on the conduct of Sunshine's business before the completion of the merger, which are customary for public company merger agreements involving financial institutions, but which, subject to

## Table of Contents

specific exceptions, could delay or prevent Sunshine from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of Sunshine absent the pending merger;

- the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Sunshine's business, operations and workforce with those of CenterState;
- the possibility of a reduction in the trading price of CenterState common stock following the announcement of the merger agreement;
- the merger-related costs;
- the possibility of litigation in connection with the merger and the costs associated with litigation;
- that the interests of certain of Sunshine's directors and executive officers may be different from, or in addition to, the interests of Sunshine's other stockholders as described under the heading "The Merger—Interests of Sunshine's Directors and Executive Officers in the Merger";
- the risk that the conditions to the parties' obligations to complete the merger agreement may not be satisfied, including the risk that necessary regulatory approvals or Sunshine stockholder approval might not be obtained and, as a result, the merger may not be consummated;
- the risk of potential employee attrition and/or adverse effects on Sunshine's business and customer relationships as a result of the pending merger;
- that: (1) Sunshine would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement; and (2) Sunshine would be obligated to pay to CenterState a termination fee if the merger agreement is terminated under certain circumstances, which may discourage other parties potentially interested in a strategic transaction with Sunshine from pursuing such a transaction; and
- the other risks described under the heading "Risk Factors."

The foregoing discussion of the information and factors considered by the board of directors of Sunshine is not intended to be exhaustive, but includes the material factors considered by the board of directors of Sunshine. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors of Sunshine did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The board of directors of Sunshine considered all these factors as a whole, including discussions with, and questioning of Sunshine's management and Sunshine's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

The board of directors of Sunshine unanimously approved the merger agreement and recommends that Sunshine's stockholders vote "**FOR**" the approval of the merger proposal and "**FOR**" approval of any proposal of the Sunshine board of directors to adjourn or postpone the special meeting if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger proposal. Sunshine stockholders should be aware that Sunshine's directors and executive officers have interests in the merger that are different from, or in addition to, those of other Sunshine stockholders. The board of directors of Sunshine was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending that the merger be approved by the stockholders of Sunshine. See "—Interests of Sunshine's Directors and Executive Officers in the Merger."

This summary of the reasoning of the board of directors of Sunshine and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Forward-Looking Statements."

Each of the directors of Sunshine has entered into a voting agreement with CenterState, pursuant to which they have agreed to vote in favor of the merger agreement and the other proposals to be voted on at the special

[Table of Contents](#)

meeting. The voting agreements are discussed in more detail in the section entitled “Information About the Sunshine Special Meeting—Shares Subject to Voting Agreements; Shares Held by Directors and Executive Officers” beginning on page 49 of this proxy statement/prospectus.

**Opinion of Sunshine’s Financial Advisor**

*The fairness opinion and a summary of the underlying financial analyses of Sunshine’s financial advisor, Hovde, is described below. The description contains projections, estimates and other forward-looking statements about the future earnings or other measures of the future performance of Sunshine. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. You should not rely on any of these statements as having been made or adopted by Sunshine or CenterState. You should review the copy of the fairness opinion, which is attached as Appendix B.*

Hovde has acted as Sunshine’s financial advisor in connection with the proposed merger. Hovde is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Sunshine and its operations. As part of its investment banking business, Hovde is continually engaged in the valuation of businesses and their securities in connection with, among other things, mergers and acquisitions.

Hovde reviewed the financial aspects of the proposed merger with Sunshine’s board of directors and, on August 11, 2017, delivered a written opinion to Sunshine’s board of directors that the merger consideration to be received by the stockholders of Sunshine in connection with the merger is fair from a financial point of view to the stockholders of Sunshine.

The full text of Hovde’s written opinion is included in this proxy statement/prospectus as Appendix B and is incorporated herein by reference. You are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde. The summary of Hovde’s opinion included in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Hovde’s opinion was directed to Sunshine’s board of directors and addresses only the fairness of the merger consideration to be paid to Sunshine stockholders in connection with the merger. Hovde did not opine on any individual stock, cash, or other components of consideration payable in connection with the merger. Hovde’s opinion does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any of the stockholders as to how such stockholder should vote at the special meeting on the merger or any related matter.

During the course of its engagement and for the purpose of rendering its opinion, Hovde:

- reviewed a draft of the merger agreement dated August 8, 2017, as provided to Hovde by Sunshine;
- reviewed unaudited financial statements for Sunshine and CenterState for the six-month period ended June 30, 2017;
- reviewed certain historical annual reports of each of Sunshine and CenterState, including audited financial statements for the year ended December 31, 2016;
- reviewed certain historical publicly available business and financial information concerning each of Sunshine and CenterState;
- reviewed certain internal financial statements and other financial and operating data concerning Sunshine;
- reviewed financial projections prepared by certain members of senior management of Sunshine;
- reviewed publicly available consensus mean analyst earnings per share estimates for Sunshine and CenterState for the years ending December 31, 2017 and December 31, 2018;

[Table of Contents](#)

- reviewed materials relating to CenterState's acquisition of HCBF Holding Company, Inc. provided by CenterState, including the pro forma financial impact to CenterState;
- analyzed the pro forma impact of the merger on the combined company's earnings, tangible book value, financial ratios and such other metrics Hovde deemed relevant;
- evaluated the contribution of assets, deposits, equity and earnings of Sunshine and CenterState to the combined company;
- reviewed the terms of recent merger, acquisition and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that Hovde considered relevant;
- assessed general economic and market conditions;
- reviewed historical market prices and trading volumes of Sunshine's common stock and CenterState's common stock; and
- reviewed certain publicly available financial and stock market data relating to selected public companies that Hovde deemed relevant to its analysis.

Hovde also conducted meetings and had discussions with members of senior management of Sunshine and CenterState to review the business, financial condition, results of operations and future prospects of Sunshine and CenterState, including the pro forma impact of pending and recently completed transactions prepared and provided to it by Sunshine's and CenterState's senior management, as well as the historical and current financial performance and operations of Sunshine and CenterState. Hovde discussed with senior management of Sunshine and CenterState their assessment of the rationale for the merger. Hovde also performed such other analyses and considered such other factors as Hovde deemed appropriate, and took into account its experience in other similar transaction and securities valuations, as well as its knowledge of the banking and financial services industry.

In rendering its opinion, Hovde assumed, without investigation, that there were no material changes to the financial condition and results of operations of Sunshine and CenterState since the date of the latest financial information described above. Hovde further assumed, without independent verification, that the representations and financial and other information included in the merger agreement or otherwise provided to it by Sunshine and CenterState were true and complete. Hovde relied upon the management of Sunshine as to the reasonableness and achievability of the financial forecasts and projections provided to Hovde by Sunshine, and Hovde assumed such forecasts and projections were reasonably prepared by Sunshine on a basis reflecting the best currently available information and Sunshine's reasonable judgment and estimates. Hovde assumed that such forecasts and projections would be realized in the amounts and at the times contemplated thereby, and did not, in any respect, assume any responsibility for the accuracy or reasonableness thereof. Hovde was authorized by Sunshine to rely upon such forecasts, projections and other information and data, and expressed no view as to any such forecasts, projections or other information or data, or the bases or assumptions on which they were prepared.

In performing its review, Hovde relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by Sunshine and CenterState or their respective representatives or that was otherwise reviewed by it, and assumed such accuracy and completeness for purposes of rendering its opinion. Hovde further relied on the assurances of the respective managements of Sunshine and CenterState that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Hovde was not asked to, and has not undertaken, an independent verification of any of such information, and it does not assume any responsibility or liability for the accuracy or completeness thereof. Hovde has assumed that each party to the merger agreement would advise it promptly if any information previously provided to it became inaccurate or was required to be updated during the period of its review.

[Table of Contents](#)

Hovde is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for loan losses with respect thereto. Hovde assumed that such allowances for Sunshine and CenterState are, in the aggregate, adequate to cover such losses, and would be adequate on a pro forma basis for the combined entity. Hovde was not requested to make, and did not conduct, an independent evaluation, physical inspection or appraisal of the assets, properties, facilities or liabilities (contingent or otherwise) of Sunshine and CenterState, the collateral securing any such assets or liabilities, or the collectability of any such assets, and Hovde was not furnished with any such evaluations or appraisals, nor did Hovde review any loan or credit files of Sunshine and CenterState.

In rendering its opinion, Hovde did not undertake an independent analysis of any pending or threatened litigation, regulatory action, possible unasserted claims or other contingent liabilities to which Sunshine or CenterState is a party or may be subject, and its opinion makes no assumption concerning, and therefore does not consider, the possible assertion of claims, outcomes or damages arising out of any such matters. Hovde assumed that neither Sunshine nor CenterState is party to any material pending transaction, including without limitation any financing, recapitalization, acquisition or merger, divestiture or spin-off, other than the merger contemplated by the Agreement and the acquisition by CenterState of HCBF. Hovde is not opining in any manner on the nature or terms of the acquisition by CenterState of HCBF, or the effect of such transaction on the future earnings, financial condition or operations of the parties generally, and Hovde does not assume any responsibility or liability for any matters relating thereto.

Hovde assumed that the merger would be consummated substantially in accordance with the terms set forth in the merger agreement, without any waiver of material terms or conditions by Sunshine, CenterState or any other party to the merger agreement and that the final merger agreement would not differ materially from the draft Hovde reviewed. Hovde assumed that the merger would be consummated in compliance with all applicable laws and regulations. Sunshine advised Hovde that they are not aware of any factors that would impede any necessary regulatory or governmental approval of the merger. Hovde further assumed that the necessary regulatory and governmental approvals, as granted, would not be subject to any conditions that would be unduly burdensome on Sunshine and CenterState or would have a material adverse effect on the contemplated benefits of the merger.

Sunshine engaged Hovde on July 17, 2017 to serve as a financial advisor to Sunshine in connection with the proposed merger and to issue a fairness opinion to Sunshine's board of directors in connection with such proposed transaction. Pursuant to the terms of the engagement, at the time the merger is completed, Sunshine will pay Hovde a completion fee of 1% of the aggregate merger consideration, which is contingent upon the completion of the merger. For delivery of its fairness opinion, Sunshine will pay Hovde a fee of \$200,000, which will be credited against the amount of the completion fee. Pursuant to the engagement agreement, in addition to its fees and regardless of whether the merger is consummated, Sunshine has agreed to reimburse Hovde for certain reasonable out-of-pocket expenses incurred in performing its services and to indemnify Hovde against certain claims, losses and expenses arising out of the merger or Hovde's engagement.

In performing its analyses, Hovde made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Hovde, Sunshine and CenterState. Hovde's opinion was necessarily based on financial, economic, market and other conditions and circumstances as they existed on, and on the information made available to Hovde as of, the dates used in its opinion. Any estimates contained in the analyses performed by Hovde are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities may be sold or the prices at which any securities may trade at any time in the future. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Hovde's opinion does not address the relative merits of the merger as compared to any other business combination in which Sunshine could have engaged. In addition, Hovde's fairness opinion was among several factors taken into consideration by Sunshine's board of directors in making its determination to

## [Table of Contents](#)

approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as solely determinative of the decision of Sunshine's board of directors or Sunshine's management with respect to the fairness from a financial point of view of the merger consideration to be received by Sunshine's stockholders in connection with the merger.

The following is a summary of the material analyses prepared by Hovde and delivered to Sunshine's board of directors on August 11, 2017 in connection with the delivery of its fairness opinion. This summary is not a complete description of the analyses underlying the fairness opinion or the presentation prepared by Hovde, but it summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Hovde did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. The analyses and the summary of the analyses must be considered as a whole and selecting portions of the analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying the analyses and opinion of Hovde. The tables alone are not a complete description of the financial analyses.

**Market Approach—Comparable Transactions.** As part of its analysis, Hovde reviewed publicly available information related to two comparable groups (a "Regional Group" and a "Nationwide Group") of select acquisition transactions of banks. The Regional Group consisted of acquisition transactions of banks headquartered in the Southeast Region of the United States (consisting of the states of Virginia, West Virginia, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Arkansas, Mississippi, Louisiana, and Florida) announced since August 1, 2015, in which the target had assets between \$500 million and \$1.5 billion, nonperforming assets ("NPAs") to assets of less than 2.0%, and a return on average assets ("ROAA") less than 1.00% over the last twelve months ("LTM"). The Nationwide Group consisted of acquisition transactions of banks in the United States announced since August 1, 2015, in which the target had assets between \$750 million and \$1.25 billion, NPAs to assets of less than 2.0%, and a return on average assets between 0.25% and 0.75% over the last twelve months. In each case for which financial information was available no transaction that fit the selection criteria was excluded. Information for the target institutions was based on balance sheet data as of, and income statement data for the twelve months preceding, the most recent quarter prior to announcement of the transactions. The resulting two groups consisted of the following transactions (11 transactions for the Regional Group and 9 transactions for the Nationwide Group):

Regional Group:	
Buyer (State)	Target (State)
Carolina Financial Corporation (SC)	First South Bancorp, Inc. (NC)
SmartFinancial, Inc. (TN)	Capstone Bancshares, Inc. (AL)
First Bancorp (NC)	ASB Bancorp, Inc. (NC)
Renasant Corporation (MS)	Metropolitan BancGroup, Inc. (MS)
Southern National Bancorp of Virginia, Inc. (VA)	Eastern Virginia Bankshares, Inc. (VA)
CenterState Bank Corporation (FL)	Gateway Financial Holdings of Florida, Inc. (FL)
Access National Corporation (VA)	Middleburg Financial Corporation (VA)
Hampton Roads Bankshares, Inc. (VA)	Xenith Bankshares, Inc. (VA)
Pinnacle Financial Partners, Inc. (TN)	Avenue Financial Holdings, Inc. (TN)
BNC Bancorp (NC)	High Point Bank Corporation (NC)
Park Sterling Corporation (NC)	First Capital Bancorp, Inc. (VA)

[Table of Contents](#)

Nationwide Group:	
Buyer (State)	Target (State)
Midland States Bancorp, Inc. (IL)	Centrue Financial Corporation (IL)
Renasant Corporation (MS)	Metropolitan BancGroup, Inc. (MS)
Veritex Holdings, Inc. (TX)	Sovereign Bancshares, Inc. (TX)
CenterState Bank Corporation (FL)	Gateway Financial Holdings of Florida, Inc. (FL)
OceanFirst Financial Corp. (NJ)	Ocean Shore Holding Co. (NJ)
Hampton Roads Bankshares, Inc. (VA)	Xenith Bankshares, Inc. (VA)
Pinnacle Financial Partners, Inc. (TN)	Avenue Financial Holdings, Inc. (TN)
Great Western Bancorp, Inc. (SD)	HF Financial Corp. (SD)
BNC Bancorp (NC)	High Point Bank Corporation (NC)

For each precedent transaction, Hovde compared the implied ratio of total deal value to certain financial characteristics as follows:

- the multiple of the purchase consideration to the acquired company's tangible common book value (the "Price-to-Tangible Common Book Value Multiple");
- the multiple of the purchase consideration to the acquired company's LTM net earnings per share (the "Price-to-LTM Earnings Multiple"); and
- the multiple of the difference between the purchase consideration and the acquired company's tangible book value to the acquired company's core deposits (the "Premium-to-Core Deposits Multiple").

The results of the analysis are set forth in the table below. Transaction multiples for the merger were derived from the estimated per share purchase price of \$22.10, which implied a total deal value (including implied value of stock options) of \$183.7 million for Sunshine and were based on June 30, 2017 financial results of Sunshine.

Implied Value for Sunshine Based On:	Price-to-Tangible Common Book Value Multiple	Price-to-LTM Earnings Multiple	Premium-to-Core Deposits Multiple
Total Deal Value	194.7%	58.1x	13.7%
<i>Precedent Transactions Regional Group:</i>			
Median	163.7%	23.8x	10.0%
Minimum	117.0%	17.3x	2.8%
Maximum	225.8%	29.0x	15.2%
<i>Precedent Transactions Nationwide Group:</i>			
Median	147.7%	25.3x	8.6%
Minimum	117.0%	20.2x	2.8%
Maximum	225.8%	29.0x	17.2%

Using publicly available information, Hovde compared the financial performance of Sunshine with that of the median of the precedent transactions from the Regional Group and the Nationwide Group. The performance highlights are based on June 30, 2017 financial results of Sunshine.

	Tangible Equity/ Tangible Assets	Core Deposits	LTM ROAA	LTM ROAE(1)	Efficiency Ratio	NPAs/ Assets	ALLL/ NPLs(2)
Sunshine	10.10%	84.25%	0.40%	3.21%	72.93%	0.17%	230.96%
<i>Precedent Transactions Regional Group:</i>							
Median	9.02%	83.43%	0.66%	7.04%	70.58%	0.65%	136.52%
<i>Precedent Transactions Nationwide Group:</i>							
Median	9.62%	85.59%	0.65%	6.19%	69.92%	0.93%	76.08%

[Table of Contents](#)

- (1) Return on average equity
- (2) Allowance for loan and lease losses as a percentage of nonperforming loans

No company or transaction used as a comparison in the above transaction analyses is identical to Sunshine and no transaction was consummated on terms identical to the terms of the merger agreement. Accordingly, an analysis of these results is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies. The resulting values of the Precedent Transactions Regional Group indicated an implied aggregate valuation ranging between \$75.1 million and \$159.5 million compared to the proposed total deal value of \$183.7 million. The resulting values of the Precedent Transactions Nationwide Group indicated an implied aggregate valuation ranging between \$79.8 million and \$150.5 million compared to the proposed total deal value of \$183.7 million.

*Income Approach—Discounted Cash Flow Analysis.* Taking into account various factors including, but not limited to, Sunshine’s recent performance, the current banking environment and the local economy in which Sunshine operates, Hovde determined, in consultation with and based on information provided by management of Sunshine, earnings estimates for Sunshine over a forward looking four and a half year period, and Sunshine management developed the forward-looking projections and key assumptions, which formed the basis for the discounted cash flow analyses. The resulting projected net income numbers used for the analysis were \$6.7 million for 2017, \$8.3 million for 2018, \$10.0 million for 2019, \$11.0 million for 2020 and \$12.1 million for 2021.

To determine present values of Sunshine based on these projections, Hovde utilized two discounted cash flow models, each of which capitalized terminal values using a different methodology: (1) Terminal Price/Earnings Multiple (“DCF Terminal P/E Multiple”); and, (2) Terminal Price/Tangible Book Value Multiple (“DCF Terminal P/TBV Multiple”).

In the DCF Terminal P/E Multiple analysis, an estimated value of Sunshine’s common stock was calculated based on the present value of Sunshine’s after-tax net income based on Sunshine management’s forward-looking projections. Hovde utilized a terminal value at the end of 2021 by applying a range of price-to-earnings multiples of 21.8x to 25.8x, with a midpoint of 23.8x, which is based around the median price-to-earnings multiple derived from transactions in the Regional Group. The present value of Sunshine’s projected dividends, if any, plus the terminal value was then calculated assuming a range of discount rates between 11.5% and 14.5%, with a midpoint of 13.0%. This range of discount rates was chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Sunshine’s common stock. The resulting aggregate values of Sunshine’s common stock of the DCF Terminal P/E Multiple ranged between \$143.1 million and \$190.9 million, with a midpoint of \$165.8 million.

In the DCF Terminal P/TBV Multiple model, the same earnings estimates and projected net income were used. However, in arriving at the terminal value at the end of 2021, Hovde applied a range of price-to-tangible book value multiples of 1.44x to 1.84x with the midpoint being 1.64x, which is based around the median price-to-tangible book value multiple derived from transactions in the Regional Group. The present value of projected dividends, if any, plus the terminal value, was then calculated assuming a range of discount rates between 11.5% and 14.5%, with a midpoint of 13.0%. The resulting aggregate values of Sunshine’s common stock of the DCF Terminal P/TBV Multiple ranged between \$109.3 million and \$157.4 million, with a midpoint of \$132.1 million.



[Table of Contents](#)

These analyses and their underlying assumptions yielded a range of values for Sunshine, which are outlined in the table below:

<u>Implied Value for Sunshine Based On:</u>	<u>Price-to-Tangible Book Value Multiple</u>	<u>Price-to-LTM Earnings Multiple</u>	<u>Premium-to-Core Deposits Multiple</u>
Total Deal Value	194.7%	58.1	13.7%
<i>DCF Analysis—Terminal P/E Multiple</i>			
Midpoint	175.7%	52.5	10.9%
<i>DCF Analysis—Terminal P/TBV Multiple</i>			
Midpoint	140.0%	41.8	5.8%

Hovde noted that while the discounted cash flow present value analysis is a widely used valuation methodology, it relies on numerous assumptions, including asset and earnings growth rates, projected dividend payouts, terminal values and discount rates. Hovde's analysis does not purport to be indicative of the actual values or expected values of Sunshine's common stock.

*CenterState Comparable Companies Analysis:* Hovde used publicly available information to compare selected financial and trading information for CenterState to a group of 13 publicly-traded financial institutions selected by Hovde, which consisted of the following publicly-traded banks in the southeast United States with total assets between \$4.0 billion and \$10.1 billion, a last-twelve-months ROAA between 0.50% and 1.60% and listed on a major stock exchange:

Ameris Bancorp	Seacoast Banking Corp. of Florida
Capital Bank Financial Corp.	ServisFirst Bancshares, Inc.
City Holding Company	Simmons First National Corporation
FCB Financial Holdings, Inc.	State Bank Financial Corporation
Fidelity Southern Corporation	TowneBank
First Bancorp	Union Bankshares Corporation
Renasant Corporation	

The analysis compared publicly available financial and market trading information for CenterState and the data for the 13 financial institutions identified above as of and for the most recent twelve-month period that was publicly available. The table below compares the data for CenterState and the median data for the 13 financial institutions identified above, with pricing data as of August 9, 2017.

	<u>Market Cap (\$M)</u>	<u>Price/ Tangible Book Value</u>	<u>Price/ LTM EPS</u>	<u>Price/ 2017E EPS</u>	<u>Dividend Yield</u>	<u>YTD/Price Change</u>	<u>Two Year Total Return</u>
CenterState	\$1,490.5	247.5%	20.2x	18.0x	0.97%	(1.4)%	81.5%
<i>Comparable Companies:</i>							
Median	\$1,669.4	223.6%	19.2x	17.4x	1.76%	(4.6)%	40.6%

CenterState fell within the range of pricing metrics of comparable companies. No company used as a comparison in the above analyses is identical to CenterState. Accordingly, an analysis of these results is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies.

*Accretion / Dilution Analysis:* Hovde performed pro forma merger analyses that combined projected income statement and balance sheet information of Sunshine and CenterState. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of CenterState. In the course of this analysis, Hovde used the

[Table of Contents](#)

median FactSet consensus estimates for earnings estimates for CenterState for the years ending December 31, 2017, December 31, 2018 and December 31, 2019 and used the median FactSet consensus estimates for earnings estimates for Sunshine for the years ending December 31, 2017 and December 31, 2018, and earnings estimates provided by Sunshine's management for Sunshine for the year ending December 31, 2019. This analysis indicated that the merger is expected to be accretive by \$0.02 per share to CenterState's consensus estimated earnings per share of \$1.69 in 2018, accretive by \$0.02 per share to CenterState's consensus estimated earnings per share of \$1.92 in 2019 and accretive by \$0.02 per share to CenterState's consensus estimated earnings per share of \$2.07 in 2020 (rounded to nearest cent). The analysis also indicated that the merger is expected to be dilutive to tangible book value per share for CenterState by \$0.09 per share in 2018, by \$0.05 per share in 2019, and by \$0.02 per share in 2020 and that CenterState would maintain capital ratios in excess of those required for CenterState to be considered well-capitalized under existing regulations. For all of the above analyses, the actual results achieved by Sunshine and CenterState prior to and following the merger will vary from the projected results, and the variations may be material.

*Other Factors and Analyses.* Hovde took into consideration various other factors and analyses, including but not limited to: current market environment; merger and acquisition environment; movements in the common stock valuations of selected publicly-traded banking companies; and movements in the S&P 500 Index.

*Miscellaneous.* Other than in connection with this present engagement, during the two years preceding the date of its opinion, Hovde has not provided investment banking and financial advisory services to Sunshine. During the two years preceding the date of its opinion, Hovde has not provided investment banking and financial advisory services to CenterState and has not received compensation for such services. Hovde may in the future provide investment banking and financial advisory services to Sunshine or CenterState and receive compensation for such services.

*Conclusion.* Based upon the foregoing analyses and other investigations and assumptions set forth in its opinion, without giving specific weightings to any one factor or comparison, Hovde determined that the merger consideration to be paid in connection with the merger is fair from a financial point of view to Sunshine's stockholders. **Each stockholder is encouraged to read Hovde's fairness opinion in its entirety. The full text of this fairness opinion is included as Appendix B to this proxy statement.**

#### **Certain Financial Projections Provided by Sunshine**

Sunshine does not, as a matter of course, publicly disclose forecasts or internal projections as to its future performance, earnings, or other results due to, among other reasons, the inherent uncertainty of the underlying assumptions and estimates. However, Sunshine's management provided CenterState certain nonpublic unaudited prospective financial information regarding Sunshine prepared by Sunshine's management. A summary of these projections is included in this proxy statement/prospectus because such initial forecasts were made available to Hovde, as part of its fairness opinion analysis.

This nonpublic unaudited prospective financial information was not prepared for the purposes of, or with a view toward, public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, published guidelines of the SEC regarding forward-looking statements, or GAAP. The information included below does not comprise all of the prospective financial information provided by Sunshine to Hovde. However, a summary of the material elements of this information is set forth below.

Although presented with numerical specificity, the financial forecasts reflect numerous estimates and assumptions of Sunshine's management made at the time they were prepared, and assume execution of various strategic initiatives that Sunshine is no longer pursuing in light of the merger. These and the other estimates and assumptions underlying the financial forecasts involve judgments with respect to, among other things, the future interest rate environment, the timing and level of loan originations, deposit generation, operating and other

[Table of Contents](#)

expenses, effective tax rates and other economic, competitive, regulatory, and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies include, among other things, the inherent uncertainty of the business and economic conditions affecting the industry in which Sunshine operates, and the risks and uncertainties described under “Risk Factors” beginning on page 35 and “Cautionary Statement Regarding Forward-Looking Statements” beginning on page 43, all of which are difficult to predict and many of which are outside the control of Sunshine and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions would prove to be accurate or that the projected results would be realized. Actual results may differ materially from those reflected in the financial forecasts, whether or not the merger is completed. Further, these assumptions do not include all potential actions that management could or might have taken during these time periods.

The inclusion in this proxy statement/prospectus of the nonpublic unaudited prospective financial information below should not be regarded as an indication that Sunshine, its board of directors, or Hovde considered, or now consider, these projections and forecasts to be fact or necessarily predictive of actual future results and should not be relied upon as such. The unaudited prospective financial information does not give effect to the merger, including the impact of negotiating or executing the merger agreement, the expenses to be incurred in connection with consummating the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect on either CenterState or Sunshine, as applicable, of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions that would likely have been taken if the merger agreement had not been executed, but that were instead altered, accelerated, postponed, or not taken in anticipation of the merger.

No assurances can be given that, if these financial forecasts had been prepared as of the date of this proxy statement/prospectus, the same underlying assumptions would be used. In addition, the financial forecasts may not reflect the manner in which CenterState would operate Sunshine’s business after the merger. **CenterState and Sunshine do not intend to, and each disclaims any obligation to, make publicly available any update or other revision to this unaudited prospective financial information to reflect circumstances occurring since its preparation or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.**

The financial forecasts summarized in this section were prepared by and are the responsibility of the management of Sunshine. No independent registered public accounting firm has examined, compiled, or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for the prospective financial information.

Further, the unaudited prospective financial information does not take into account the effect on Sunshine or Sunshine Bank of any possible failure of the merger to occur. None of Sunshine, Sunshine Bank or Hovde or their respective affiliates, officers, directors, advisors, or other representatives has made, makes, or is authorized in the future to make any representation to any stockholder of Sunshine, or other person regarding Sunshine’s ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved.

In light of the foregoing, and taking into account that the special meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, Sunshine stockholders are cautioned not to place unwarranted reliance on such information.

[Table of Contents](#)

Below are certain financial projections that were prepared by Sunshine's management and were provided to Hovde in connection with the proposed merger.

	At December 31,				
	2017	2018	2019	2020	2021
	(In thousands)				
<b>Balance Sheet Data</b>					
Assets	\$ 1,030,598	\$ 1,139,762	\$ 1,273,821	\$ 1,401,203	\$ 1,541,323
Equity	118,768	127,104	137,104	148,104	160,204
Tangible Common Equity	96,815	105,555	115,959	127,363	139,867

	For the Years Ended December 31,				
	2017	2018	2019	2020	2021
	(Dollars in thousands)				
<b>Income Information</b>					
Net income	\$6,667	\$8,336	\$10,000	\$11,000	\$12,100
ROAA	0.68%	0.77%	0.83%	0.82%	0.82%
ROAE	5.78%	6.78%	7.57%	7.71%	7.85%

### CenterState's Reasons for the Merger

CenterState's board of directors concluded that the merger is in the best interest of CenterState and its shareholders. In reaching its decision to approve the merger agreement, the CenterState board of directors evaluated the merger and the merger agreement in consultation with CenterState's management, as well as CenterState's financial and legal advisors, and considered a number of factors, including:

- each of CenterState's, Sunshine's and the combined company's business, operations, financial condition, earnings and prospects, taking into account the results of CenterState's due diligence review of Sunshine, which included financial, credit, legal, regulatory and operational due diligence, and the conclusion that Sunshine's financial condition, capital adequacy and asset quality were sound and would complement those of CenterState;
- its belief that Sunshine and CenterState share similar cultures and community banking models, including with respect to strategic focus, client service, credit culture and risk profiles;
- that the merger would result in a combined company with a larger market presence particularly in Central Florida, where the branches of CenterState and Sunshine largely overlap;
- its belief that the merger would potentially create synergies and potential enhanced economies of scale that would result in the combined company having the opportunity for superior future earnings and prospects compared to CenterState's earnings and prospects on a stand-alone basis.
- the potential expanded possibilities for the combined company, including organic growth and future acquisitions, that would be available to the combined company, given its larger size, asset base, capital, lending capacity and footprint;
- its determination, that, on a pro forma basis giving effect to the Sunshine merger and the HCBF Merger, the combined entity would be one of the largest community banks (based on deposits) based in Florida;
- the expected positive impact on financial metrics, including earnings and returns on tangible stockholders' equity;
- the CenterState's board of director's understanding of the current and prospective economic, interest rate, regulatory and competitive environment in which CenterState and Sunshine operate, and the likely effect of these factors on CenterState, both with and without the merger;

## [Table of Contents](#)

- CenterState's past record of integrating acquisitions and of realizing projected financial goals and benefits;
- its belief that CenterState can overcome the potential negative impact on the combined entity's earnings as a result of CenterState's assets exceeding \$10 billion, including the limit on the amount of debit card interchange fees that CenterState is able to charge under the the Dodd-Frank Act, and the increased regulatory burden and cost to CenterState as a result of increased risk management oversight and stress testing, and becoming subject to oversight by the Consumer Financial Protection Bureau;
- the financial and other terms and conditions of the merger agreement, including provisions for the payment by Sunshine to CenterState of a termination fee if the merger agreement is terminated under certain circumstances; and
- the regulatory and other approvals required in connection with the transaction and the likelihood such approvals would be received in a timely manner and without unacceptable conditions.

CenterState's board of directors also considered potential risks relating to the merger including the following:

- CenterState may not realize all of the anticipated cost synergies and savings in the amounts estimated or in the time frame contemplated;
- CenterState may have difficulty successfully maintaining existing customer and employee relationships;
- CenterState may experience disruptions in the integration of the Sunshine operations with CenterState;
- CenterState may not manage merging and integrating successfully both the merger of Sunshine and the pending HCBF Merger;
- The increased regulatory burden that will be imposed on the combined company due to its assets exceeding \$10 billion in assets;
- approvals from regulatory authorities could impose conditions that could have the effect of delaying completion of the merger or imposing additional costs;
- the substantial costs that CenterState will incur in connection with the merger even if it is not consummated; and
- pursuing a merger transaction with Sunshine at the same time as the HCBF Merger could preclude other expansion opportunities during the pendency of these two merger transactions.

The foregoing discussion of the factors considered by the CenterState board of directors is not intended to be exhaustive, but rather includes the material factors considered by the CenterState board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the CenterState board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The CenterState board of directors considered all these factors as a whole, and overall considered the factors to be favorable to, and to support, its determination.

### **Interests of Sunshine Directors and Executive Officers in the Merger**

When Sunshine's stockholders are considering the recommendation of the Sunshine Board of Directors in connection with the merger proposal, you should be aware that some of the executive officers and directors of Sunshine and Sunshine Bank have interests that are in addition to, or different from, the interests of Sunshine's

## [Table of Contents](#)

stockholders generally, which are described below. Sunshine's Board of Directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement. Except as described below, to the knowledge of Sunshine, the executive officers and directors of Sunshine do not have any material interest in the merger apart from their interests as stockholders of Sunshine.

### *Treatment of Stock Options*

Directors and executive officers hold outstanding Sunshine stock options. The merger agreement provides that, at the effective time of the merger, each outstanding Sunshine stock option will fully vest and convert into a stock option to purchase shares of CenterState common stock in an amount equal to the number of shares of Sunshine common stock subject to the option multiplied by the exchange ratio of 0.89 (rounded to the nearest whole share). The exercise price per share of such converted option will be equal to the exercise price of the Sunshine stock option divided by the exchange ratio of 0.89 (rounded to the nearest cent). Except as otherwise provided, the Sunshine stock options that have been converted into CenterState stock options will be subject to the same duration and terms that were in effect prior to the effective time of the merger. The following table sets forth the number of outstanding stock options held by each named executive officer and the other executive officers and directors of Sunshine and Sunshine Bank as of October 9, 2017 (the latest practicable date prior to the mailing of this document) and the weighted-average exercise price of their Sunshine stock options.

<u>Name</u>	<u># of Stock Options</u>	<u>Weighted-Average Exercise Price</u>
Andrew S. Samuel	140,800	\$ 14.06
Dana S. Kilborne	69,621	10.88
Janak M. Amin	25,000	14.36
All other executive officers as group (4 persons)	95,000	14.21
All non-employee directors as a group (13 persons)	149,150	13.54

### *Treatment of Restricted Stock*

Directors and executive officers hold shares of Sunshine restricted stock. Under the merger agreement, at the effective time of the merger, each restricted share of Sunshine common stock will vest and convert into the right to receive the merger consideration. The following table sets forth the number of shares of restricted stock held by each named executive officer and the other executive officers and directors of Sunshine and Sunshine Bank as of October 9, 2017 (the latest practicable date prior to the mailing of this document), and their value based on a price per share of Sunshine common stock of \$21.50, the average closing price per share over the first five business days following the announcement of the merger agreement.

<u>Name</u>	<u># of Restricted Shares</u>	<u>Value of Restricted Shares</u>
Andrew S. Samuel	25,392	\$ 545,928
Dana S. Kilborne	—	—
Janak M. Amin	4,200	90,300
All other executive officers as a group (4 persons)	13,800	296,700
All non-employee directors as a group (13 persons)	21,096	453,564

### *Employment Agreements with Certain Executive Officers*

Sunshine Bank and Sunshine previously entered into employment agreements with Andrew S. Samuel, President and Chief Executive Officer, Dana S. Kilborne, Co-President of Sunshine Bank and Chief Banking Officer and one other executive officer. Pursuant to the merger agreement, CenterState has agreed to honor in accordance with their terms all benefits payable under these employment agreements, which provide certain benefits in the event the executive officer's employment is terminated under specified circumstances and within a specified period of time following a change in control, such as the merger. Each such employment agreement has

## [Table of Contents](#)

an initial two-year term (or three-year term with respect to Mr. Samuel's agreement) that automatically renews for an additional year on each anniversary of the effective date of the agreement, unless notice of non-renewal has been delivered.

If during the term of the employment agreement (1) an executive officer's employment is terminated without "cause," or the executive officer resigns for "good reason" (as each term is defined in the employment agreements), within two years following the occurrence of a change in control, or (2) the executive officer terminates his or her employment for any reason (or no reason) within 30 days of the occurrence of a change in control, each executive is entitled to the payments and benefits as follows:

- For Mr. Samuel, a lump sum cash severance payment equal to three times the sum of (1) his highest annual base salary during the immediately preceding three calendar years; (2) his highest cash bonus and other cash incentive compensation earned with respect to one of the three calendar years preceding the year of termination; and (3) the highest value of stock options and other stock-based incentives awarded to him with respect to one of the three calendar years preceding the year of termination, which value will be determined based upon the grant-date fair value of the award determined in accordance with ASC Topic 718 of the FASB Accounting Standards. In addition, Sunshine Bank will maintain for three years following termination of employment the same level of contributions for Mr. Samuel's participation in the life, disability, medical insurance plans and other welfare arrangements sponsored by Sunshine Bank in effect with respect to Mr. Samuel during the one year prior to termination of employment (or a dollar amount equal to the cost of obtaining such similar benefits to the extent Sunshine Bank is not permitted to provide such welfare benefits because he is no longer an employee);
- For Ms. Kilborne, a lump sum cash payment equal to two times the sum of her (1) annual base salary in effect immediately prior to termination of employment; and (2) last annual cash bonus earned; and
- For the other executive officer, a lump sum cash payment equal to two times the sum of his (1) annual base salary in effect immediately prior to termination of employment; and (2) last annual cash bonus earned. In addition, the executive officer would receive a lump sum cash payment equal to the estimated cost of obtaining medical insurance substantially similar to the coverage received under Sunshine Bank's medical insurance plan for 24 months, less the amount that the executive officer would be required to contribute for the coverage if he was an active employee.

Mr. Samuel is also entitled to receive an additional tax indemnification payment (a "gross-up" payment) if the payments and benefits under his employment agreement or other benefit plans and programs trigger excise tax liability under Sections 280G and 4999 of the Internal Revenue Code for "excess parachute payments." Under applicable law, the excise tax is triggered by change in control-related payments that equal or exceed three times the executive's average annual taxable compensation over the five calendar years preceding the change in control. The excise tax equals 20% of the amount of the payment in excess of one times the executive's average taxable compensation over the preceding five calendar year period. Sunshine (or CenterState as successor) is not able to take a federal income tax deduction for excess parachute payments.

The gross-up payment would be made to Mr. Samuel so that he would be in the same after-tax position he would have been in if the excise tax under Sections 280G and 4999 of the Internal Revenue Code had not been imposed. If the merger closes on or prior to January 30, 2018, Sunshine and CenterState, in consultation with their tax advisors, currently estimate that there will be no excess parachute payment to Mr. Samuel that would trigger a "gross-up" payment to him so long as Mr. Samuel's change in control-related payments under his employment agreement and SERP are accelerated and paid in 2017. If the effective time of the merger is delayed and Mr. Samuel's change in control-related payments cannot be accelerated and paid in 2017 and the excise tax becomes due, Mr. Samuel would be entitled to the "gross-up payment," and his "excess parachute payments" would be non-deductible for federal income tax purposes.

For an estimate of the amounts payable to Mr. Samuel and Ms. Kilborne under their employment agreements in connection with a qualifying termination of employment following the merger, including an

## [Table of Contents](#)

estimate of Mr. Samuel's gross-up payment and the amount of the non-deductible compensation related to Mr. Samuel's excess parachute payments if penalties are triggered under Sections 280G and 4999 of the Internal Revenue Code, see "—Merger-Related Compensation for Sunshine's Named Executive Officers" below. Assuming the merger was completed and the executive officer experienced a qualifying termination of employment on October 9, 2017, the estimated amount of cash severance that would be payable to the one other executive officer with an employment agreement is \$699,349.

### *Non-Competition Agreement with Andrew S. Samuel*

In connection with the execution of the merger agreement, Sunshine, Sunshine Bank, CenterState and CenterState Bank entered into a non-competition agreement with Mr. Samuel, dated as of August 12, 2017, pursuant to which Mr. Samuel agreed that during the "restricted period," he will not: (1) engage in certain competitive activities with respect to Sunshine, Sunshine Bank, CenterState and CenterState Bank within 35 miles of any location in which Sunshine or Sunshine Bank has a branch or business office immediately prior to the effective time of the merger; and (2) solicit any employee, customer or prospective customer of Sunshine, Sunshine Bank, CenterState or CenterState Bank. The "restricted period" is defined as the 24-month period following the date on which Mr. Samuel's employment relationship with Sunshine, Sunshine Bank, CenterState and/or CenterState Bank, as applicable, terminates for any reason. Mr. Samuel agreed to the foregoing covenants in consideration of the severance payments and benefits that he is entitled to receive under his employment agreement with Sunshine and Sunshine Bank described above and as a condition to CenterState and Sunshine entering into the merger agreement.

### *Supplemental Executive Retirement Plan Agreement for Andrew S. Samuel*

Sunshine Bank provides supplemental retirement benefits to Mr. Samuel through his supplemental executive retirement plan agreement (the "SERP"). The SERP entitles Mr. Samuel to receive an annual benefit equal to 40% of his "final pay," defined as the highest annualized base salary and bonus from the three years prior to Mr. Samuel's separation from service, payable in monthly installments over 15 years following separation from service. The benefit percentage could increase to 50% or 60% of final pay provided certain core earnings thresholds are achieved by Sunshine Bank in any calendar year before Mr. Samuel's separation from service. Mr. Samuel becomes fully vested in his supplemental retirement benefit upon the attainment of age 63 (the "normal retirement age") while employed with Sunshine Bank.

In the event of a change in control, such as the merger, Mr. Samuel would receive a lump sum payment equal to the present value of an annual benefit equal to 70% of his "projected final pay," defined as the amount of final pay described above increased by 4% annually from the date of the change in control until normal retirement age (63), payable for 15 years, which the amount would be discounted from the normal retirement age to the date of the change in control. Under the terms of the SERP, this benefit would be paid to Mr. Samuel within 90 days following the change in control. In accordance with the terms of the merger agreement, however, Sunshine Bank will, as directed by CenterState, terminate the SERP prior to the merger and pay to Mr. Samuel his change in control benefit in full.

For an estimate of the amount payable under the SERP in connection with the merger to Mr. Samuel, see "—Merger-Related Compensation for Sunshine's Named Executive Officers" below.

### *Change in Control Agreements with Certain Executive Officers*

Sunshine Bank previously entered into change in control agreements with Janak M. Amin, Co-President of Sunshine Bank and three other executive officers. Pursuant to the merger agreement, CenterState has agreed to honor in accordance with their terms all benefits payable under these change in control agreements, which provide certain benefits in the event the executive officer's employment is terminated under specified circumstances and within a specified period of time following a change in control, such as the merger.



## [Table of Contents](#)

If (1) an executive officer's employment is terminated without "cause" (as defined in the change in control agreements) following the occurrence of a change in control, or (2) the executive officer terminates his or her employment for any reason (or no reason) within 30 days of the occurrence of a change in control, Sunshine Bank will pay to the executive officer a lump sum cash payment equal to two times the sum of his or her: (1) annual base salary in effect immediately prior to termination of employment and (2) last annual cash bonus earned.

For an estimate of the amounts payable in connection with a qualifying termination of employment following the merger to Mr. Amin under his change in control agreement, see "—Merger-Related Compensation for Sunshine's Named Executive Officers" below. Assuming the merger was completed and the other executive officers experienced a qualifying termination of employment on October 9, 2017, the estimated amount of cash severance that would be payable to the three other executive officers, as a group, is \$1.62 million.

### *Accelerated Vesting of Certain Compensatory Amounts*

Subject to the terms of the merger agreement, Sunshine may, in consultation with CenterState, accelerate the payment of certain compensatory amounts so that they are paid in 2017 for tax planning purposes with respect to Sections 280G and 4999 of the Internal Revenue Code. Such amounts may include the acceleration of the vesting date of Sunshine restricted stock, the 2017 bonuses anticipated to be due in 2018 and the change in control severance benefits due to the executive officers under their employment or change in control agreements.

### *Indemnification and Insurance of Directors and Officers*

CenterState has agreed that all rights to indemnification and exculpation from liabilities arising out of or pertaining to matters existing or occurring on or prior to the effective time of the merger in favor of the present and former officers and directors of Sunshine and Sunshine Bank as provided under the articles of incorporation or bylaws of Sunshine or Sunshine Bank, or permitted under applicable law, will survive the merger and continue for six years following the merger.

In addition, CenterState has agreed to maintain a directors' and officers' liability insurance policy for six years following the merger to cover the present officers and directors of Sunshine and Sunshine Bank with respect to claims against such directors and officers arising from facts or events that occurred before the effective time of the merger; provided that CenterState is not obligated to pay in the aggregate more than 200% of Sunshine's annual premiums for such coverage.

### *Employee Stock Ownership Plan*

The Sunshine Bank Employee Stock Ownership Plan (the "ESOP") is a tax-qualified plan that covers substantially all of the employees of Sunshine Bank who have attained age 21 and completed 1,000 hours of service. The ESOP received a loan from Sunshine, the proceeds of which were used to acquire shares of Sunshine common stock for the benefit of plan participants. The ESOP has pledged the shares acquired with the loan as collateral for the loan and holds them in a suspense account, releasing them to participants' accounts as the loan is repaid, using contributions received from Sunshine Bank. Prior to the effective time of the merger, the outstanding ESOP loan will be repaid by the ESOP by delivering a sufficient number of unallocated shares of Sunshine common stock to Sunshine and, if after remitting such shares there remains any unpaid amount under the ESOP loan, such unpaid amount, including any unpaid but accrued interest, will be forgiven by Sunshine at the effective time of the merger. Any unallocated shares remaining in the ESOP suspense account (after the repayment of the outstanding loan) will be allocated to the active plan participants pro-rata as earnings. As of the effective time of the merger, the ESOP will be terminated and all allocated shares of common stock held by the ESOP will be converted into the merger consideration.

As a result of the foregoing, Sunshine's executive officers, as well as other employees who participate in the ESOP, will receive a benefit in connection with the ESOP's termination to the extent that the stock price of

[Table of Contents](#)

Sunshine common stock multiplied by the number of shares held in the suspense account exceeds the outstanding loan used to acquire those shares.

For an estimate of the additional benefits that Sunshine's named executive officers would receive upon the effective time of the merger, see "—Merger-Related Compensation for Sunshine's Named Executive Officers" below. Based on account levels as of October 9, 2017, and a stock price of \$21.50, the estimated value of the additional benefits that the four other executive officers would receive, as a group, is \$250,528.

#### *New Arrangements with Sunshine Executive Officers*

Prior to and from time to time since the execution of the merger agreement, CenterState has engaged, and it expects to continue to engage, in discussions with certain executive officers of Sunshine about potential roles with the combined company after the consummation of the merger. There is at this time no assurance that those discussions will result in any additional agreements with CenterState or, if so, what the terms and conditions of any such agreements would be.

#### *Merger-Related Executive Compensation for Sunshine's Named Executive Officers*

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of Sunshine's named executive officers that is based on or otherwise relates to the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules.

The following table sets forth the amount of payments and benefits that each of Sunshine's named executive officers would receive in connection with the merger, assuming the following assumptions (except as otherwise provided in the footnotes to the following table): (1) the effective time of the merger is January 1, 2018; and (2) each named executive officer experiences a qualifying termination of employment on January 1, 2018. The table does not include the value of benefits that the named executive officers are vested in without regard to the occurrence of a change in control. Amounts below are based on certain assumptions that may or may not actually occur. As a result, the actual amounts to be received by a named executive officer may differ materially from the amounts set forth below.

Executive	Cash \$(1)	Equity \$(2)	Pension/ NQDC \$(3)	Perquisites/ Benefits \$(4)	Tax Reimbursement \$(5)	Other \$(6)	Total \$(7)
Andrew S. Samuel	5,448,507	883,245	7,615,913	50,161	—	110,630	14,108,456
Dana S. Kilborne	840,000	—	—	—	—	—	840,000
Janak M. Amin	840,000	206,046	—	—	—	34,940	1,080,986

- (1) For Mr. Samuel, his cash amount represents three times the sum of (i) his highest annual base salary during the immediately preceding three calendar years; (ii) his highest cash bonus and other cash incentive compensation earned with respect to one of the three calendar years preceding the year of termination; and (iii) the highest value of stock options and other stock-based incentives awarded to him with respect to one of the three calendar years preceding the year of termination, which value will be determined based upon the grant-date fair value of the award determined in accordance with ASC Topic 718 of the FASB Accounting Standards. Mr. Samuel is entitled to receive such cash amount under his employment agreement with Sunshine and Sunshine Bank. Mr. Samuel's payment is contingent upon his adherence to the non-competition and non-solicitation covenants set forth in his non-competition agreement described above under "—Non-Competition Agreement with Andrew S. Samuel."

For Ms. Kilborne, her cash amount represents a lump sum cash payment equal to two times the sum of her (i) annual base salary in effect immediately prior to termination of employment; and (ii) last annual cash bonus earned, which she is entitled to receive under her employment agreement with Sunshine Bank. For Mr. Amin, his cash amount represents a lump sum cash payment equal to two times the sum of his (i) annual base salary in effect immediately prior termination of employment; and (ii) last annual cash bonus earned, which he is entitled to receive under his change in control agreement with Sunshine Bank.

## Table of Contents

The cash severance payments to Mr. Samuel, Ms. Kilborne and Mr. Amin are modified single trigger benefits due to their contractual right to payments for any reason or no reason within 30 days of a change in control.

- (2) As described above, all unvested equity awards held by Sunshine's named executive officers will become vested at the effective time (i.e., single trigger vesting) and will either (i) be settled for the merger consideration, in the case of Sunshine restricted stock awards, or (ii) be assumed by CenterState, in the case of Sunshine stock options. Set forth below are the values of each type of equity-based award outstanding that would become vested upon the assumed effective time of January 1, 2018. Each restricted stock award is based on a price per share value of \$21.50, which represents the average closing price per share of Sunshine common stock over the first five business days following the announcement of the merger agreement. The value of each accelerated stock option below is equal to \$21.50 minus its exercise price.

<u>Name</u>	<u>Stock Options</u> <u>(\$)</u>	<u>Restricted Stock</u> <u>(\$)</u>
Andrew S. Samuel	519,293	363,952
Dana S. Kilborne	—	—
Janak M. Amin	115,746	90,300

- (3) The amount in this column represents the change in control benefit payable to Mr. Samuel under the SERP, as described under “—Supplemental Executive Retirement Plan Agreement for Andrew S. Samuel” using a discount rate of 5.0%. Mr. Samuel's change in control benefit under the SERP is expected to be paid prior to the effective time of the merger in accordance with the Merger Agreement and Section 409A of the Internal Revenue Code, and is a single trigger benefit because the payment is conditioned solely upon a change in control, such as the merger.
- (4) The amount in this column represents the present value of the cash equivalent of the cost of providing continued coverage for Mr. Samuel under the life, disability, and medical insurance plans and other welfare arrangements currently sponsored by Sunshine Bank for three years pursuant to Mr. Samuel's employment agreement. The present value was calculated using a discount rate equal to 120% of the applicable federal rate (compounded semi-annually) for September 2017, as published by the Internal Revenue Service.
- (5) As described above under “—Employment Agreements with Certain Executive Officers,” Mr. Samuel is entitled to a “gross-up” payment if the payments under his employment agreement or any other payments contingent on the merger trigger liability under Sections 280G and 4999 of the Internal Revenue Code for an excise tax on “excess parachute payments.” Assuming the effective time of the merger is January 1, 2018, CenterState and Sunshine, in consultation with their tax advisors, currently estimate that there will be no excess parachute payments made to Mr. Samuel that would trigger any “gross-up” payment to him, so long as Mr. Samuel's change in control-related payments under his employment agreement and SERP are accelerated and paid in 2017. If the effective time of the merger is delayed and Mr. Samuel's change in control-related payments cannot be accelerated and paid in 2017 and the excise tax becomes due, CenterState has agreed to honor Mr. Samuel's employment agreement and pay him the gross-up payment so that he would be in the same after-tax position he would have been in if the excise tax under Sections 280G and 4999 of the Internal Revenue Code had not been imposed.

To the extent that Mr. Samuel's change in control payments under his employment agreement and SERP are not accelerated and paid in 2017, and Sunshine Bank does not accelerate the vesting date of the Sunshine restricted stock and the payment date of the 2017 bonuses anticipated to be due in 2018, the estimated gross-up payment payable to Mr. Samuel would be \$6,640,353 and the estimated excess parachute payment payable to Mr. Samuel that is not tax deductible as a result of Section 280G of the Internal Revenue Code is \$19,273,625.

- (6) The amounts in this column represent the estimated additional benefits received by the named executive officer that is attributable to the Sunshine Bank ESOP as result of its termination and the resulting allocation of shares in the unallocated ESOP suspense account. Amounts in this column were determined based on a per share value for Sunshine common stock of \$21.50. See “—Employee Stock Ownership Plan.”

[Table of Contents](#)**Accounting Treatment**

The merger will be accounted for using the purchase method of accounting with CenterState treated as the acquiror. Under this method of accounting, Sunshine's assets and liabilities will be recorded by CenterState at their respective fair values as of the date of completion of the merger. Financial statements of CenterState issued after the merger will reflect these values and will not be restated retroactively to reflect the historical financial position or results of operations of CenterState.

**Regulatory Approvals**

The merger must be approved by, or CenterState must receive a waiver from, the Federal Reserve and the bank merger must be approved by the OCC. Notifications and/or applications requesting approval may also be submitted to various other federal and state regulatory authorities and self-regulatory organizations. The parties have filed applications and notifications to obtain these regulatory approvals or waivers.

Although we currently believe that we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to CenterState after the completion of the merger or will contain a materially burdensome regulatory condition.

*Federal Reserve.* Completion of the merger is subject, among other things, to approval by the Federal Reserve pursuant to Section 4 of the Bank Holding Company Act or obtaining a waiver from the approval requirement from the Federal Reserve. CenterState has received the waiver of approval from the Federal Reserve. In considering the approval of an application under Section 4 of the BHC Act, the Federal Reserve is required to consider whether performance of the activity by a bank holding company or its subsidiary can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or risk to the stability of the United States banking or financial system. As part of its evaluation of an acquisition of a savings institution by a bank holding company, the Federal Reserve reviews factors including: (1) the financial and managerial resources of the companies involved, including pro forma capital ratios of the combined company (both in terms of absolute capital ratios and capital ratios relative to peer groups determined by the regulators), (2) the effect of the proposal on competition in the relevant markets, (3) the convenience and needs of the communities to be served, (4) the effectiveness of the companies in combatting money laundering, and (5) the risk to the stability of the United States banking or financial system. The Federal Reserve also reviews the records of performance of the relevant insured depository institutions under the Community Reinvestment Act of 1977, which we refer to as the "CRA." In their most recent respective CRA examinations, CenterState Bank and Sunshine Bank each received an overall "satisfactory" CRA performance rating. A waiver from the application requirement may be obtained, if the merger of the subsidiary bank will occur immediately after but in effect simultaneously with the holding company merger such that the subsidiary bank will never operate as a separate entity once the merger occurs; the bank merger requires the prior approval of another federal regulator (in this case the OCC) under the Bank Merger Act; the merger does not involve the acquisition of any other nonbank company that would require approval under Section 4 of the BHC Act; both before and after the proposed transaction, the holding company is in compliance with applicable capital requirements; and the Federal Reserve has not previously notified the holding company that it is not eligible for the waiver.

The BHC Act and the Federal Reserve regulations require published notice of, and the opportunity for public comment on, the applications to the Federal Reserve, and authorize the Federal Reserve Board to hold a public hearing or meeting if the Federal Reserve determines that a hearing or meeting would be appropriate. The Federal Reserve takes into account the views of third party commentators, particularly on the subject of the merging parties' service to their communities, and any hearing, meeting or comments provided by third parties could prolong the period during which the application is under review by the Federal Reserve Board.

*OCC.* The prior approval of the OCC will be required under the federal Bank Merger Act to merge Sunshine Bank with and into CenterState Bank. In evaluating an application filed under the Bank Merger Act, the OCC

## [Table of Contents](#)

generally considers: (1) the competitive impact of the transaction, (2) financial and managerial resources of the banks that are party to the bank merger, (3) the convenience and needs of the community to be served and the record of the banks under the CRA, including their CRA ratings, (4) the banks' effectiveness in combating money-laundering activities, and (5) the extent to which the bank merger would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the OCC provides an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate.

Transactions approved by the OCC generally may not be completed until 30 days after the approval is received, during which time the Department of Justice, which we refer to as the "DOJ," may challenge the transaction on antitrust grounds. With the approval of the OCC, and the concurrence of the DOJ, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the merger, the DOJ could analyze the merger's effect on competition differently than the Federal Reserve Board or the OCC, and thus it is possible that the DOJ could reach a different conclusion than the Federal Reserve Board or the OCC regarding the merger's effects on competition. A determination by the DOJ not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

### **Board of Directors and Management of CenterState Following the Merger**

The directors and officers of CenterState immediately after the effective time of the merger will consist of (i) the directors and officers of CenterState immediately prior to the effective time of the merger, and (ii) if the HCBF Merger is consummated, Michael J. Brown, Sr. (Chairman and Chief Executive Officer of HCBF and Harbor Community Bank). The directors and officers of the surviving company will hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal. Information regarding the executive officers and directors of CenterState, except Michael J. Brown, Sr. and David G. Salyers, who was appointed to the board of directors of CenterState on July 20, 2017, is contained in documents filed by CenterState with the SEC and incorporated by reference into this proxy statement/prospectus, including CenterState's Annual Report on Form 10-K for the year ended December 31, 2016 and its Definitive Proxy Statement on Schedule 14A for its 2017 annual meeting, filed with the SEC on March 2, 2017. See "Documents Incorporated By Reference". Information regarding David G. Salyers and Michael J. Brown, Sr. is included below.

#### *David G. Salyers*

David G. Salyers, age 58, was appointed to the boards of directors of CenterState and CenterState Bank on July 20, 2017, to serve until the next annual meeting of shareholders. Mr. Salyers is head of Brand Activation Marketing for Chick-fil-A, Inc., the Atlanta based fast food restaurant chain, where he has spent his entire career. He also is active in community activities, including being on the board of directors for Re-Think, a non-profit organization behind the Orange Conference, dedicated to character development in children, and the board for Growing Leaders Foundation, an organization dedicated to developing the next generation of leaders. He also is on the board of trustees for the Chick-Fil-A Peach Bowl and the board of the Atlanta Sports Council. He is author of the book "Remarkable!" on company culture. Mr. Salyers' experience in operating a national service-oriented business and leadership development is considered a valuable asset to CenterState and CenterState Bank as it continues to grow into a larger community bank with a focus on the customer and employees. Mr. Salyers is considered independent as defined by the NASDAQ rules and is subject to the same rules relating to related party transactions as the other directors.

#### *Michael J. Brown, Sr.*

Michael J. Brown, Sr., age 76 has served as Chairman and Chief Executive Officer of HCBF since its inception and of Harbor Community Bank since its acquisition by HCBF in 2011. Mr. Brown was the former

[Table of Contents](#)

President, Chief Executive Officer and Chairman of the Board of Directors of Harbor Federal Savings and Loan Association (“Harbor Federal”) from 1976 until its sale to National City in 2006. Mr. Brown began his banking career with Prudential Savings & Loan in Clayton, Missouri in 1964 and ultimately became that institution’s Chief Financial Officer. In 1972, he moved to University Federal Savings & Loan Association in Coral Gables, Florida to assume the title of Senior Vice President and Chief Financial Officer. He joined Harbor Federal in Fort Pierce, Florida in 1974. Mr. Brown received a bachelor’s degree from St. Louis University in 1962. He has served on numerous community, state and national organizations, including serving as Director of America’s Community Bankers, Director of the Florida Bankers Association, and member of the Advisory Board of the Federal Home Mortgage Corporation. Mr. Brown also completed a two-year appointment on the Thrift Institutions Advisory Council to the Federal Reserve Board of Governors and is currently a board member of the Hands Clinic of St. Lucie County and the Harbor Branch Oceanographic Institute Foundation. Mr. Brown’s significant experience in and knowledge related to the banking industry will be a valuable asset to CenterState and CenterState Bank, and the integration of CenterState with HCBF.

[Table of Contents](#)**THE MERGER AGREEMENT**

*The following is a summary of the material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is included as Appendix A to this proxy statement/prospectus and is incorporated herein by reference. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

**The Merger**

The boards of directors of Sunshine and CenterState have each unanimously approved the merger agreement and related plan of merger, which provides for the merger of Sunshine with and into CenterState, with CenterState as the surviving company in the merger. Each share of CenterState common stock outstanding immediately prior to the effective time of the merger will remain outstanding as one share of CenterState common stock. Each share of Sunshine common stock outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.89 of a share of CenterState common stock (the “Merger Consideration”).

The merger agreement also provides that immediately after the effective time of the merger but in effect simultaneously on the date the merger closes, Sunshine Bank, which is a federal stock savings bank and wholly owned subsidiary of Sunshine, will merge with and into CenterState Bank, a national banking association and wholly owned subsidiary of CenterState, with CenterState Bank as the surviving bank of such merger. The terms and conditions of the merger of CenterState Bank and Sunshine Bank are set forth in a separate merger agreement (referred to as the “Bank merger agreement”), which is attached as an exhibit to the merger agreement. As provided in the Bank merger agreement, the merger of CenterState Bank and Sunshine Bank may be abandoned at the election of CenterState Bank at any time, whether before or after filings are made for regulatory approval of such merger. We refer to the merger of CenterState Bank and Sunshine Bank as the “bank merger.”

**Closing and Effective Time of the Merger**

Unless both CenterState and Sunshine agree to a later date, the closing of the merger will take place no later than three business days after all of the conditions to the closing of the merger have been satisfied or waived in accordance with their terms. CenterState will file articles of merger with the Florida Department of State and the Maryland State Department of Assessments and Taxation. The merger will become effective at such time as the last articles of merger are filed or such other time as may be specified in the articles of merger.

We currently expect that the merger will be completed in the first quarter of 2018, subject to the approval of the merger agreement by Sunshine stockholders, the receipt of all necessary regulatory approvals and the expiration of all regulatory waiting periods and the satisfaction of other customary closing conditions. However, completion of the merger could be delayed if there is a delay in obtaining the required regulatory approvals or in satisfying any other conditions to the merger. No assurance is made as to whether, or when, CenterState and Sunshine will obtain the required approvals or complete the merger. See “—Conditions to Completion of the Merger.”

**Merger Consideration**

Under the terms of the merger agreement, each share of Sunshine common stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by Sunshine, CenterState and their wholly-owned subsidiaries and shares of Sunshine common stock that are remitted to Sunshine prior to effectiveness of the merger to repay the ESOP loan owed by the Sunshine ESOP to Sunshine) will be converted into the right to receive the merger consideration.

[Table of Contents](#)

No fractional shares of CenterState common stock will be issued in connection with the merger. Instead, CenterState will make a cash payment, without interest, to each Sunshine stockholder who would otherwise receive a fractional share of CenterState common stock, equal to: (i) the fractional share amount *multiplied by* (ii) the average closing price per share of CenterState common stock on NASDAQ for the 10 trading day period ending on the later of (i) the date on which the last required regulatory approval is obtained without regard to any requisite waiting period, or (ii) the date on which the Sunshine stockholders approve the merger agreement.

All shares of CenterState common stock received by Sunshine stockholders in the merger will be freely tradable, except that shares of CenterState common stock received by persons who become affiliates of CenterState for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

If CenterState or Sunshine change the number of shares of CenterState common stock or Sunshine common stock outstanding prior to the effective time of the merger as a result of a stock split, stock combination, stock dividend, recapitalization or similar recapitalization with respect to the CenterState common stock or Sunshine common stock and the record date for such corporate action is prior to the effective time of the merger, then the merger consideration shall be appropriately and proportionately adjusted.

The value of the shares of CenterState common stock to be issued to Sunshine stockholders in the merger will fluctuate between now and the closing date of the merger. We make no assurances as to whether or when the merger will be completed, and you are advised to obtain current sale prices for the CenterState common stock. See “Risk Factors—Because the market price of the CenterState common stock may fluctuate, Sunshine stockholders cannot be sure of the market value of the merger consideration that they will receive in the merger until the closing” on page 35 of this proxy statement/prospectus.

**Procedures for Converting Shares of Sunshine Common Stock into Merger Consideration***Exchange Agent*

CenterState will designate a third party to act as the exchange agent in connection with the merger (such agent is referred to in this proxy statement/prospectus as the “exchange agent”). The exchange agent will also act as the agent for Sunshine stockholders to receive Sunshine certificates/book-entry shares and will obtain no rights or interests in the shares represented thereby. Prior to the effective time of the merger, CenterState will deposit, or cause to be deposited, with the exchange agent the aggregate number of shares of CenterState common stock, together with (to the extent then determinable) any cash payable in lieu of fractional shares, necessary to satisfy the aggregate merger consideration payable.

*Transmittal Materials and Procedures*

Promptly (but not more than five business days) after the effective time of the merger, CenterState will cause the exchange agent to send transmittal materials, which will include the appropriate form of letter of transmittal, to holders of record of shares of Sunshine common stock (other than excluded shares) providing instructions on how to effect the transfer and cancellation of shares of Sunshine common stock in exchange for the merger consideration.

After the effective time of the merger, when a Sunshine stockholder delivers a properly executed letter of transmittal and any other documents as may reasonably be required by the exchange agent, the holder of shares of Sunshine common stock will be entitled to receive, and the exchange agent will be required to deliver to the holder (i) the number of shares of CenterState common stock that such holder is entitled to receive as a result of the merger; and (ii) any cash in lieu of fractional shares and in respect of dividends or other distributions to which the holder is entitled.



[Table of Contents](#)

No interest will be paid or accrued on any amount payable upon cancellation of shares of Sunshine common stock. The shares of CenterState common stock issued in accordance with the merger agreement upon conversion of the shares of Sunshine common stock (including any cash paid in lieu of fractional shares) will be deemed to have been issued and paid in full satisfaction of all rights pertaining to the shares of Sunshine common stock.

If any portion of the merger consideration is to be delivered to a person or entity other than the holder in whose name any surrendered certificate is registered, it will be a condition of such exchange that (i) the certificate surrendered must be properly endorsed or must be otherwise in proper form for transfer and (ii) the person or entity requesting such payment pays any transfer or other similar taxes required by reason of the payment of the merger consideration to a person or entity other than the registered holder of the certificate surrendered or will establish to the satisfaction of CenterState that such tax has been paid or is not required to be paid. Payment of the applicable merger consideration with respect to book-entry shares will only be made to the person or entity in whose name such book-entry shares are registered. The shares of CenterState common stock may be in uncertificated book-entry form, unless a physical certificate is otherwise required by any applicable law.

**Surrender of Sunshine Stock Certificates/Book Entry Shares**

The exchange agent will mail to each holder of record of Sunshine common stock a Letter of Transmittal along with instructions for completing the Letter of Transmittal and delivering back to the exchange agent the completed Letter of Transmittal along with the stock certificates representing the shares of Sunshine common stock held by the stockholder.

Upon surrender to the exchange agent of the certificate(s) representing his or her shares of Sunshine common stock, accompanied by a properly completed Letter of Transmittal, a Sunshine stockholder will be entitled to receive the merger consideration (including any cash in lieu of fractional shares). Until surrendered, each such certificate will represent after the effective time of the merger only the right to receive the merger consideration, without interest (including any cash in lieu of fractional shares) and any dividends or distributions to which such holder is entitled.

No dividends or other distributions with respect to CenterState common stock after completion of the merger will be paid to the holder of any unsurrendered Sunshine stock certificates with respect to the shares of CenterState common stock represented by those certificates until those certificates have been properly surrendered. Subject to applicable abandoned property, escheat or similar laws, following the proper surrender of any such previously unsurrendered Sunshine stock certificate, the holder of the certificate will be entitled to receive, without interest: (i) the amount of unpaid dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of CenterState common stock represented by that certificate; and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of CenterState common stock represented by that certificate with a record date after the effective time of the merger (but before the date on which the certificate is surrendered) and with a payment date subsequent to the issuance of the shares of CenterState common stock issuable in exchange for that certificate.

None of CenterState, the exchange agent or any other person will be liable to any former Sunshine stockholder for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

In the event any Sunshine stock certificate is lost, stolen or destroyed, in order to receive the merger consideration (including cash in lieu of any fractional shares), the holder of that certificate must provide an affidavit of that fact and, if reasonably required by CenterState or the exchange agent, post a bond in such amount as CenterState or the exchange agent determines is reasonably necessary to indemnify it against any claim that may be made against it with respect to that certificate.

## [Table of Contents](#)

### Equity Compensation

If the merger is completed, each option to acquire shares of Sunshine common stock that is then outstanding will automatically become vested and will be converted into an option to purchase that number of shares of CenterState common stock equal to the number of shares of Sunshine common stock to which the option holder is entitled to purchase multiplied by the merger consideration (rounded to the nearest whole share). The exercise price will equal the Sunshine exercise price divided by the merger consideration (rounded to the nearest cent).

If the merger is completed, each outstanding restricted stock award will fully vest and receive the merger consideration.

### Conduct of Business Pending the Merger

Pursuant to the merger agreement, Sunshine and CenterState have agreed to certain restrictions on their activities until the effective time of the merger unless consented to by the other party. CenterState has agreed that it will use commercially reasonable efforts to carry on its business consistent with prudent banking practices and in compliance in all material respects with applicable laws. Sunshine has agreed that it will use commercially reasonable efforts to:

- carry on its business, including the business of Sunshine Bank, only in the ordinary course of business and consistent with prudent banking practice and in compliance in all material respects with all applicable laws;
- preserve its business organization and assets intact;
- keep available to itself and CenterState the present services of the current officers and employees of Sunshine and Sunshine Bank; and
- preserve for itself and CenterState the goodwill of its customers, key employees, lessors and others with whom business relationships exists.

CenterState has also agreed until effectiveness of the merger it will not take any action that is intended or is reasonably likely to:

- prevent, delay or impair in any material respect CenterState's ability to consummate the merger or the transactions contemplated by the merger agreement;
- prevent the merger from qualifying as a reorganization under the Internal Revenue Code;
- result in any of its representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time prior to effectiveness of the merger, or in any of the conditions of the merger not being satisfied or in a violation of any provision of the merger agreement, except as may be required by applicable law; or
- agree to take, commit to take, or adopt any resolution of its board of directors in support of, any of the actions prohibited by the merger agreement.

Sunshine has also agreed that it will not, and will cause Sunshine Bank not to do any of the following without the prior written consent of CenterState or as otherwise previously disclosed to CenterState:

- (i) issue, sell, grant, pledge, dispose of, encumber, or otherwise permit to become outstanding, or authorize the creation of, any additional shares of its stock (except for issuances of Sunshine common stock upon the exercise of Sunshine stock options), any rights, any new award or grant under the Sunshine stock plans or otherwise, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company), or enter into any agreement with respect to the foregoing, (ii) accelerate the vesting of any existing rights, or (iii) directly or indirectly change (or establish a record date for changing), adjust, split, combine, redeem, reclassify, exchange, repurchase

## Table of Contents

or otherwise acquire any shares of its capital stock, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company) convertible into or exchangeable for any additional shares of stock, any rights issued and outstanding prior to the effective time (other than the acquisition of shares of Sunshine common stock from a holder of Sunshine stock options in satisfaction of withholding obligations or in payment of the exercise price, as may be permitted pursuant to Sunshine stock plans or the applicable award agreements);

- make, declare, pay or set aside for payment of dividends payable in cash, stock or property on or in respect of, or declare or make any distribution on, any shares of its capital stock, except for (i) dividends from Sunshine Bank to Sunshine, consistent with past practice, and (ii) distributions payable to service Sunshine's outstanding subordinated notes;
- enter into or amend or renew any employment, consulting, compensatory, severance, retention or similar agreements or arrangements with any director, officer or employee of Sunshine or Sunshine Bank, or grant any salary, wage or fee increase or increase any employee benefit or pay any incentive or bonus payments, except (i) normal increases in base salary to employees in the ordinary course of business and pursuant to policies currently in effect, *provided that*, such increases will not result in an annual adjustment in base compensation (which includes base salary and any other compensation other than bonus payments) of more than 5% for any individual or 3% in the aggregate for all employees of Sunshine or Sunshine Bank, (ii) as may be required by law, (iii) to satisfy contractual obligations, (iv) incentive or bonus payments either in accordance with past practice or in accordance with the terms of the Sunshine Bank executive incentive plan, or (v) severance in accordance with past practice;
- hire any person as an employee of Sunshine or Sunshine Bank, except for at-will employees at an annual rate of salary not to exceed \$75,000 to fill vacancies that may arise from time to time in the ordinary course of business;
- enter into, establish, adopt, amend, modify or terminate (except (i) as may be required by or to make consistent with applicable law, subject to the provision of prior written notice to and consultation with CenterState, (ii) to satisfy contractual obligations, (iii) as previously disclosed to CenterState, or (iv) as may be required pursuant to the terms of the merger agreement) any Sunshine benefit plan or other pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer or employee of Sunshine or Sunshine Bank;
- except pursuant to agreements or arrangements in effect on the date of the merger agreement, pay, loan or advance any amount to, or sell, transfer or lease any properties or assets (real, personal or mixed, tangible or intangible) to, or enter into any agreement or arrangement with, any of its officers or directors or any of their immediate family members or any affiliates or associates of any of its officers or directors other than (i) loans in accordance with Regulation O of the Federal Reserve and consistent with past practice and in the ordinary course of business and (ii) compensation or business expense advancements or reimbursements in the ordinary course of business;
- except in the ordinary course of business (including the sale, transfer or disposal of other real estate owned), sell, license, lease, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue any of its rights, assets, deposits, business or properties or cancel or release any indebtedness owed to Sunshine or Sunshine Bank;
- acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business) all or any portion of the assets, debt, business, deposits or properties of any other entity or person, except for purchases specifically approved by CenterState;
- make any capital expenditures in amounts exceeding \$100,000 individually, or \$250,000 in the aggregate;

[Table of Contents](#)

- amend Sunshine’s articles of incorporation or bylaws or any equivalent documents of Sunshine Bank;
- implement or adopt any change in its accounting principles, practices or methods, other than as may be required by applicable laws, GAAP or at the direction of a governmental authority;
- enter into, amend, modify, terminate, extend, or waive any material provision of, any Sunshine material contract, lease or insurance policy, or make any material change in any instrument or agreement governing the terms of any of its securities, or material lease, license or contract, other than normal renewals of contracts, licenses and leases without material adverse changes of terms with respect to Sunshine or Sunshine Bank, or enter into any contract that would constitute a Sunshine material contract if it were in effect on the date of the merger agreement, except for any amendments, modifications or terminations requested by CenterState;
- other than settlement of foreclosure actions in the ordinary course of business, (i) enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which Sunshine or Sunshine Bank is or becomes a party after the date of the merger agreement, which settlement or agreement involves payment by Sunshine or Sunshine Bank of an amount that exceeds \$50,000 individually or \$100,000 in the aggregate and/or would impose any material restriction on the business of Sunshine or Sunshine Bank or (ii) waive or release any material rights or claims, or agree or consent to the issuance of any injunction, decree, order or judgment restricting or otherwise affecting its business or operations;
- (i) enter into any material new line of business, introduce any material new products or services, or introduce any material marketing campaigns or any material new sales compensation or incentive programs or arrangements; (ii) change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating policies, except as required by applicable law, regulation or policies imposed by any governmental authority; (iii) make any material changes in its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service loans, its hedging practices and policies, except as required by applicable law, regulation or policies imposed by any governmental authority; or (iv) incur any material liability or obligation relating to retail banking and branch merchandising, marketing and advertising activities and initiatives except in the ordinary course of business;
- enter into any derivative transaction;
- incur any indebtedness for borrowed money other than in the ordinary course of business consistent with past practice with a term not in excess of 12 months (other than creation of deposit liabilities or sales of certificates of deposit in the ordinary course of business), or incur, assume or become subject to, whether directly or by way of any guarantee or otherwise, any obligations or liabilities (whether absolute, accrued, contingent or otherwise) of any other person, other than the issuance of letters of credit in the ordinary course of business;
- (i) acquire (other than (x) by way of foreclosures or acquisitions in a bona fide fiduciary capacity or (y) in satisfaction of debts previously contracted in good faith), sell or otherwise dispose of any debt security or equity investment or any certificates of deposits issued by other banks, other than securities (A) rated “AA” or higher by either Standard and Poor’s Ratings Services or Moody’s Investor Service, (B) with a weighted average life of not more than five years and (C) otherwise in the ordinary course of business, nor (ii) change the classification method for any of the Sunshine investment securities from “held to maturity” to “available for sale” or from “available for sale” to “held to maturity,” as those terms are used in ASC 320;
- make any changes to deposit pricing other than such changes that may be made in the ordinary course of business, consistent with past practice;
- except for loans or extensions of credit approved and/or committed as of the date of the merger agreement, (i) make, renew, renegotiate, increase, extend or modify any (A) unsecured loan, if the

## [Table of Contents](#)

amount of such unsecured loan, together with any other outstanding unsecured loans made by Sunshine or Sunshine Bank to such borrower or its affiliates would be in excess of \$150,000 in the aggregate, (B) loan secured by other than a first lien in excess of \$500,000, (C) secured loan over \$1,500,000, (D) loan that is not made in conformity with Sunshine's ordinary course lending policies and guidelines, or (E) loan, whether secured or unsecured, if the amount of such loan, together with any other outstanding loans (without regard to whether such other loans have been advanced or remain to be advanced), would result in the aggregate outstanding loans to any borrower of Sunshine or Sunshine Bank (without regard to whether such other loans have been advanced or remain to be advanced) exceeding \$5,000,000; (ii) sell any loan or loan pools in excess of \$1,000,000 in principal amount or sale price (other than residential mortgage loan pools sold in the ordinary course of business); or (iii) acquire any servicing rights, or sell or otherwise transfer any loan where Sunshine or Sunshine Bank retains any servicing rights. Any loan in excess of the foregoing limits will require the prior written approval of the President or Chief Credit Officer or Credit Administrator of CenterState Bank. Notwithstanding the foregoing, Sunshine may, without obtaining the prior written approval of CenterState Bank (i) effect any modification to a loan or extension of credit that is not rated "substandard" or lower; (ii) extend the loan maturity or renew loans rated "watch" for no more than one year, where no additional credit is extended, or grant payment deferrals up to six months and renew loans rated "watch" or better where no additional credit is extended; and (iii) renew for up to two years any unsecured loan of less than \$300,000 where no additional credit is extended. Sunshine may not effect any collateral release for any loan rated "watch" or lower without the prior approval of CenterState Bank;

- make any investment or commitment to invest in real estate or in any real estate development project other than by way of foreclosure or deed in lieu thereof or make any investment or commitment to develop, or otherwise take any actions to develop any real estate owned by Sunshine or Sunshine Bank;
- except as required by applicable law or any governmental authority, make, in any manner different from Sunshine's prior custom and practice, or change any material tax election, file any material amended tax return, enter into any material closing agreement, settle or compromise any material liability with respect to taxes, agree to any material adjustment of any tax attribute, file any claim for a material refund of taxes, or consent to any extension or waiver of the limitation period applicable to any material tax claim or assessment, *provided that*, for purposes of the foregoing, "material" means affecting or relating to \$10,000 or more in taxes or \$25,000 or more of taxable income;
- commit any act or omission that constitutes a material breach or default by Sunshine or Sunshine Bank under any agreement with any governmental authority or under any Sunshine material contract, lease or other material agreement or material license to which Sunshine or Sunshine Bank is a party or by which any of them or their respective properties are bound or under which any of them or their respective assets, business, or operations receives benefits;
- foreclose on or take a deed or title to any real estate other than single-family residential properties without first conducting a Phase I Environmental Site Assessment (or any applicable successor standard) of the property or foreclose on or take a deed or title to any real estate other than single-family residential properties if such environmental assessment indicates the presence or likely presence of any hazardous substances under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances into structures on the property or into the ground, ground water, or surface water of the property;
- take any action or knowingly fail to take any action not contemplated by the merger agreement that is intended or is reasonably likely to (i) prevent, delay or impair Sunshine's ability to consummate the merger or the transactions contemplated by the merger agreement, or (ii) prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;
- agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by the foregoing;

## Table of Contents

- except required by law, file any application or make any contract or commitment for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production or servicing facility or automated banking facility, except for any change that may be requested by CenterState;
- merge or consolidate itself or Sunshine Bank with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or Sunshine Bank; or
- (i) enter into any contract with respect to, or otherwise agree or commit to do, or adopt any resolutions of its board of directors or similar governing body in support of, any of the foregoing or (ii) take any action that is intended or expected to result in any of its representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time prior to the effective time, or in any of the conditions to the merger not being satisfied or in a violation of any provision of the merger agreement, except, in every case, as may be required by applicable law.

## **Regulatory Matters**

CenterState has agreed to use its commercially reasonable efforts to obtain all necessary state securities law or “blue sky” permits and approvals required to carry out the transactions contemplated by the merger agreement, and Sunshine has agreed to furnish all information concerning Sunshine and the holders of Sunshine common stock as may be reasonably requested in connection with any such action.

CenterState and Sunshine have agreed to cooperate with each other and use their respective commercially reasonable efforts to prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and regulatory and governmental entities that are necessary or advisable to consummate the transactions contemplated by the merger agreement (including the merger and the bank merger) and to comply with the terms and conditions of all such permits, consents, approvals and authorizations.

Sunshine and CenterState have the right to review in advance and, to the extent practicable, each will consult the other on, in each case subject to applicable laws, all the information relating to Sunshine or CenterState, as the case may be, and any of their respective subsidiaries, that appear in any filing made with, or written materials submitted to, any third party or any governmental entity in connection with the transactions contemplated by the merger agreement. In addition, CenterState and Sunshine will consult with each other with respect to obtaining all permits, consents, approvals and authorizations of all third parties and governmental entities necessary or advisable to consummate the transactions contemplated by the merger agreement, and each party will keep the other apprised of the status of matters relating to the completion of the merger. CenterState and Sunshine shall promptly deliver to each other copies of all filings, orders and material correspondence to and from all governmental entities in connection with the transactions contemplated by the merger agreement.

Additionally, each of CenterState and Sunshine has agreed to furnish to the other, upon request, all information concerning itself, its subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with this proxy statement/prospectus, the Registration Statement on Form S-4 or any other statement, filing, notice or application made by or on behalf of CenterState, Sunshine or any of their respective subsidiaries to any regulatory or governmental entity in connection with the merger, the bank merger of any or the other transactions contemplated by the merger agreement.

## **Nasdaq Listing**

CenterState has agreed to cause the shares of CenterState common stock to be issued to the holders of Sunshine common stock in the merger to be authorized for listing on NASDAQ, subject to official notice of issuance, prior to the effective time of the merger.

[Table of Contents](#)**Employee Matters***General*

Following the effective time of the merger, CenterState must maintain employee benefit plans and compensation opportunities for the full-time employees of Sunshine and its subsidiaries on the closing date of the merger (referred to below as “covered employees”) that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities that are available on a uniform and non-discriminatory basis to similarly situated employees of CenterState or its subsidiaries (except that no covered employee may participate in any closed or frozen plan of CenterState or its subsidiaries). CenterState must give the covered employees full credit for their prior service with Sunshine and its subsidiaries for purposes of eligibility and vesting under any qualified or non-qualified employee benefit plan maintained by CenterState in which covered employees may be eligible to participate and for all purposes under any welfare benefit plans, vacation plans and similar arrangements maintained by CenterState.

With respect to any CenterState health, dental, vision or other welfare plan in which any covered employee is eligible to participate, for the first plan year in which the covered employee is eligible to participate, CenterState or its applicable subsidiary must use its commercially reasonable best efforts to: (i) cause any pre-existing condition limitations or eligibility waiting periods under such plan to be waived with respect to the covered employee and his or her covered dependents to the extent the condition was, or would have been, covered under the Sunshine benefit plan in which the covered employee participated immediately prior to the effective time of the merger; and (ii) recognize any health, dental, vision or other welfare expenses incurred by the covered employee and his or her covered dependents in the year that includes the closing date of the merger (or, if later, the year and which the covered employee is first eligible to participate) for purposes of any applicable deductible and annual out-of-pocket expense requirements.

If, within six months after the effective time of the merger, unless otherwise addressed in an employment agreement entered into with CenterState Bank, any covered employee is terminated by CenterState or its subsidiaries other than “for cause” (as defined under the policies of CenterState and/or its subsidiaries) or resigns because he or she was offered a position with a material reduction in rate of base pay or that is outside a 50-mile radius of the current address of his or her primary work location at Sunshine Bank, then CenterState will pay severance to the covered employee in an amount equal to two weeks of base salary for each 12 months of such covered employee’s prior employment with Sunshine or Sunshine Bank; provided, however, that in no event will the total amount of severance for any current employee be less than four weeks of such base salary, nor greater than 26 weeks of such base salary. Any severance to which a covered employee may be entitled in connection with a termination occurring more than six months after the effective time of the merger will be as set forth in the severance policies of CenterState and its subsidiaries as then in effect.

At the effective time of the merger, all accrued and unused sick time for all employees of Sunshine and Sunshine Bank and all accrued and unused vacation time for all employees of Sunshine and Sunshine Bank shall be accorded such treatment as set forth in CenterState’s policies.

Prior to the effective time of the merger, Sunshine will, as directed by CenterState, (i) cause the termination of all salary continuation and supplement executive retirement plans, programs and agreements between Sunshine and/or Sunshine Bank and any officer or employee, and (ii) pay all amounts due its officers, directors and employees pursuant to the change in control provisions applicable under any Sunshine benefit plan in accordance with Section 409A of the Internal Revenue Code.

Sunshine has agreed to honor the employment agreements, change in control agreements, and severance arrangements in effect and as disclosed by Sunshine, unless superseded or terminated as of the effective time in the merger, with the consent of the parties to such agreements.

[Table of Contents](#)

The Sunshine ESOP will be terminated in connection with the completion of the merger and distributions will occur following receipt of a favorable determination letter from the Internal Revenue Service in accordance with the terms of the ESOP.

Sunshine will establish a retention bonus pool to be paid to certain designated Sunshine employees, with such recipients, amounts of payments and timing of payments to be agreed upon by Sunshine and CenterState. The aggregate amount of such retention bonuses payable pursuant to the retention bonus pool may not exceed \$150,000 in the aggregate.

**Indemnification and Directors' and Officers' Insurance**

For a period of six years after the effective time of the merger, CenterState must indemnify and defend the present and former directors, officers and employees of Sunshine and Sunshine Bank against all costs or expenses, damages or other liabilities incurred in connection with any claim, action, suit, proceeding or investigation arising out of actions or omissions of such persons in the course of performing their duties for Sunshine or Sunshine Bank occurring at or before the effective time of the merger (including the transactions contemplated by the merger agreement), to the same extent as such persons have the right to be indemnified pursuant to the articles of incorporation or bylaws of Sunshine or similar governing documents of Sunshine Bank in effect on the date of the merger agreement and to the extent permitted by applicable Maryland law. CenterState has agreed to pay such expenses to each indemnified party to the fullest extent permitted by the provisions of Maryland law and Sunshine's articles of incorporation and bylaws.

For a period of six years after the effective time of the merger, CenterState will provide director's and officer's liability insurance that serves to reimburse the present and former officers and directors of Sunshine or Sunshine Bank with respect to claims against them arising from facts or events occurring before the effective time of the merger (including the transactions contemplated by the merger agreement). The directors' and officers' liability insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the indemnified person as the coverage currently provided by Sunshine; provided, however, that: (i) if CenterState is unable to obtain or maintain the directors' and officers' liability insurance, then CenterState will provide as much comparable insurance as is reasonably available; and (ii) officers and directors of Sunshine or its subsidiaries may be required to make application and provide customary representations and warranties to the carrier of the insurance risk to obtain such insurance. In no event shall Sunshine expend, or CenterState be required to expend, for the tail insurance a premium amount in excess of 200% of the annual premiums paid by Sunshine for its directors' and officers' liability insurance in effect as of the date of the merger agreement. If the cost of the tail insurance exceeds such maximum premium for the tail insurance, then Sunshine or CenterState, as applicable, will obtain tail insurance or a separate tail insurance policy with the greatest coverage available for a cost not exceeding such maximum premium.

CenterState has agreed that it will not consolidate with or merge with any other corporation or entity where it is not the continuing or surviving corporation, or transfer all or substantially all of its property or assets, unless proper provision is made so that the successors and assigns of CenterState and its subsidiaries assume the obligations of indemnification under the merger agreement.

**Third Party Proposals**

Sunshine has agreed that, from the date of the merger agreement it will not, and will cause Sunshine Bank and each of their respective officers, directors and employees not to, and will not authorize any investment bankers, financial advisors, attorneys, accountants, consultants, affiliates or other agents of Sunshine or Sunshine Bank to, directly or indirectly, (i) induce or knowingly encourage or take any action to facilitate an inquiry or proposal that constitutes, or could reasonably be expected to lead to, an acquisition proposal; (ii) participate in any discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access to, any person (other than CenterState) any information or data with respect to Sunshine or Sunshine Bank or otherwise



## Table of Contents

relating to an acquisition proposal; (iii) release any person from, waive any provision of, or fail to enforce any confidentiality agreement or standstill agreement to which Sunshine is a party; or (iv) enter into any agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal.

For purposes of the merger agreement, an “acquisition proposal” means any inquiry, offer or proposal (other than an inquiry, offer or proposal from CenterState), whether or not in writing, contemplating, relating to, or that could reasonably be expected to lead to, an acquisition transaction.

For purposes of the merger agreement, an “acquisition transaction” means (A) any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving Sunshine or Sunshine Bank; (B) any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, 20% or more of the assets of Sunshine or Sunshine Bank; (C) any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing 20% or more of the votes attached to the outstanding securities of Sunshine or Sunshine Bank; (D) any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning 20% or more of any class of equity securities of Sunshine or Sunshine Bank; or (E) any transaction that is similar in form, substance or purpose to any of the foregoing transactions, or any combination of the foregoing.

However, at any time prior to the approval of the merger agreement by the Sunshine stockholders, if (i) Sunshine receives a bona fide unsolicited acquisition proposal, (ii) the Sunshine board of directors determines in good faith, after consultation with and having considered the advice of its outside financial advisor and outside legal counsel, that such acquisition proposal constitutes or is reasonably likely to lead to a superior proposal and it is reasonably necessary to take such actions to comply with its fiduciary duties to Sunshine’s stockholders under applicable law, (iii) Sunshine has provided CenterState with at least three business days’ prior notice of such determination, and (iv) prior to furnishing or affording access to any information or data with respect to Sunshine or Sunshine Bank or otherwise relating to an acquisition proposal, Sunshine receives from such person a confidentiality agreement with terms no less favorable to Sunshine than those contained in the confidentiality agreement with CenterState. Sunshine must promptly provide to CenterState any non-public information regarding Sunshine or Sunshine Bank provided to any other person that was not previously provided to CenterState, and such additional information must be provided no later than the date of provision of such information to such other party.

A “superior proposal” means a bona fide, unsolicited acquisition proposal (i) that if consummated would result in a third party (or in the case of a direct merger between such third party and Sunshine or Sunshine Bank, the shareholders of such third party) acquiring, directly or indirectly, more than 50% of the outstanding Sunshine common stock or more than 50% of the assets of Sunshine and Sunshine Bank, taken as a whole, for consideration consisting of cash and/or securities, and (ii) that the board of directors of Sunshine determines in good faith, after consultation with its outside financial advisor and outside legal counsel, (a) is reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein and the person making such acquisition proposal, and (b) taking into account any changes to the merger agreement proposed by CenterState in response to such acquisition proposal, such proposal is more favorable to the stockholders of Sunshine from a financial point of view than the merger.

Sunshine must promptly (and in any event within 24 hours) notify CenterState in writing if any proposals or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, Sunshine or its representatives, in each case in connection with any acquisition proposal, and such notice must indicate the name of the person initiating such discussions or negotiations or making such proposal, offer or information request and the material terms and conditions of any proposals or

## [Table of Contents](#)

offers (and, in the case of written materials relating to such proposal, offer, information request, negotiations or discussion, providing copies of such materials (including e-mails or other electronic communications), except to the extent (i) that such materials constitute confidential information of the party making such offer or proposal under an effective confidentiality agreement, (ii) discussions of such materials jeopardizes the attorney-client privilege or (iii) disclosure of such materials contravenes any law, rule, regulation, order, judgment or decree). Sunshine has agreed that it will keep CenterState informed, on a reasonably current basis, of the status and terms of any such proposal, offer, information request, negotiations or discussions (including any amendments or modifications to such proposal, offer or request).

Except as provided below, neither the board of directors of Sunshine nor any of its committees may (i) withdraw, qualify, amend or modify, or propose to withdraw, qualify, amend or modify, in a manner adverse to CenterState in connection with the transactions contemplated by the merger agreement (including the merger), the Sunshine recommendation to approve the merger with CenterState, fail to reaffirm the Sunshine recommendation to approve the merger with CenterState within three business days following a request by CenterState, or make any statement, filing or release, in connection with the special meeting or otherwise, inconsistent with the Sunshine recommendation to approve the merger with CenterState (it being understood that taking a neutral position or no position with respect to an acquisition proposal will be considered an adverse modification of the Sunshine recommendation to approve the merger with CenterState); (ii) approve or recommend, or propose to approve or recommend, any acquisition proposal; or (iii) enter into (or cause Sunshine or Sunshine Bank to enter into) any letter of intent, agreement in principle, acquisition agreement or other agreement (a) related to any acquisition transaction (other than a confidentiality agreement entered into in accordance with the foregoing) or (b) requiring Sunshine to abandon, terminate or fail to consummate the merger or any other transaction contemplated by the merger agreement.

Notwithstanding the foregoing, prior to the approval of the merger at the special meeting, the board of directors of Sunshine may approve or recommend a superior proposal to the Sunshine stockholders and withdraw, qualify, amend or modify the Sunshine recommendation to approve the merger with CenterState or take any of the other actions otherwise prohibited by the foregoing (a “Sunshine Subsequent Determination”) after the fifth business day following CenterState’s receipt of a notice (the “Notice of Superior Proposal”) from Sunshine advising CenterState that the board of directors of Sunshine has decided that a bona fide unsolicited written acquisition proposal that it received (that did not result from a breach of the merger agreement) constitutes a superior proposal if, but only if, (i) the board of directors of Sunshine has determined in good faith, after consultation with and having considered the advice of outside legal counsel and its financial advisor, that the failure to take such actions would be reasonably likely to violate its fiduciary duties to Sunshine’s stockholders under applicable law, (ii) during the five business day period after receipt of the Notice of Superior Proposal by CenterState (the “Notice Period”), Sunshine and the board of directors of Sunshine has cooperated and negotiated in good faith with CenterState to make such adjustments, modifications or amendments to the terms and conditions of the merger agreement as would enable Sunshine to proceed with the Sunshine Recommendation without a Sunshine Subsequent Determination; provided, however, that CenterState does not have any obligation to propose any adjustments, modifications or amendments to the terms and conditions of the merger agreement, and (iii) at the end of the Notice Period, after taking into account any such adjusted, modified or amended terms as may have been proposed by CenterState since its receipt of such Notice of Superior Proposal, the board of directors of Sunshine has again in good faith made the determination that such acquisition proposal constitutes a superior proposal. In the event of any material revisions to the superior proposal, Sunshine is required to deliver a new Notice of Superior Proposal to CenterState and again comply with the foregoing requirements, except that the Notice Period will be reduced to three business days.

If the Sunshine board of directors makes a change in recommendation, or if Sunshine pursues a superior proposal, Sunshine could be required to pay CenterState a termination fee of \$7.068 million in cash. See “—Termination,” and “—Termination Fee.”

[Table of Contents](#)**Representations and Warranties**

The merger agreement contains generally customary representations and warranties of CenterState and Sunshine relating to their respective businesses that are made as of the date of the merger agreement and as of the closing date of the merger. The representations and warranties of each of CenterState and Sunshine have been made solely for the benefit of the other party, and these representations and warranties should not be relied on by any other person. In addition, these representations and warranties:

- have been qualified by information set forth in confidential disclosure schedules in connection with signing the merger agreement—the information contained in these schedules modifies, qualifies and creates exceptions to the representations and warranties in the merger agreement;
- will not survive consummation of the merger;
- may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to the merger agreement if those statements turn out to be inaccurate;
- are in some cases subject to a materiality standard described in the merger agreement that may differ from what may be viewed as material by you; and
- were made only as of the date of the merger agreement or such other date as is specified in the merger agreement.

The representations and warranties made by CenterState and Sunshine to each other primarily relate to:

- corporate organization, existence, power and authority;
- capitalization;
- corporate authorization to enter into the merger agreement and to consummate the merger;
- absence of any breach of organizational documents, violation of law or breach of agreements as a result of the merger;
- regulatory approvals and consents required in connection with the merger and the bank merger;
- reports filed with governmental entities, including the SEC;
- financial statements;
- absence of material adverse effect on each party since December 31, 2016;
- compliance with laws and the absence of regulatory agreements;
- litigation;
- tax matters;
- material contracts;
- insurance policies;
- loan portfolio;
- environmental matters;
- receipt of a fairness opinion;
- fees paid to financial advisors; and
- accuracy of the information supplied by each party for inclusion or incorporation by reference in this proxy statement/prospectus.

Sunshine has also made representations and warranties to CenterState with respect to:

- labor and employee relations;

## [Table of Contents](#)

- employee benefits plans;
- risk management;
- investment portfolio;
- intellectual property;
- related party transactions;
- absence of state takeover laws applicability; and
- real and personal property matters.

### **Conditions to Completion of the Merger**

The completion of the merger depends on a number of conditions being satisfied or, where permitted, waived, including:

- the approval of the merger agreement by Sunshine stockholders;
- the receipt of all regulatory approvals required to consummate the transactions contemplated by the merger agreement, without the imposition of any materially burdensome regulatory conditions or any commitments, conditions, restrictions or understandings which would prohibit or materially limit the ownership or operation by Sunshine or CenterState of all or a material portion of their business or assets, or compel CenterState to dispose of all or a material portion of the business or assets of Sunshine or of CenterState;
- the approval for listing on NASDAQ of the shares of CenterState common stock to be issued in the merger;
- the effectiveness of the Registration Statement on Form S-4, of which this proxy statement/prospectus is a part, under the Securities Act of 1933, as amended and no stop order suspending such effectiveness will have been initiated or threatened by the SEC;
- the absence of any order, injunction or other law making illegal the consummation of the merger, the bank merger or the other transactions contemplated by the merger agreement;
- the accuracy, generally in all material respects, of CenterState's and Sunshine's respective representations and warranties in the merger agreement on the date of the merger agreement and as of the effective time of the merger (or such other date specified in the merger agreement);
- the performance in all material respects by CenterState and Sunshine of their respective obligations under the merger agreement;
- the receipt by each party of an opinion from its legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization under the Code;
- the absence of any event that has resulted in a material adverse effect on the other party, and the absence of any condition, event, fact, circumstance or other occurrence that is reasonably expected to have a material adverse effect on the other party; and
- (i) the approval of the Sunshine board of directors has not have been withheld, withdrawn or modified in a manner adverse to CenterState, (ii) the Sunshine board of directors shall not have approved or recommended (or publicly proposed to approve or recommend) any other third party acquisition proposal, or (iii) the Sunshine board of directors shall not have allowed Sunshine or Sunshine Bank to enter into a letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or agreement relating to any acquisition proposal.

No assurance is given as to when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

[Table of Contents](#)
**Termination**

The merger agreement may be terminated by CenterState or Sunshine at any time prior to the effective time of the merger:

- by mutual written consent;
- if any governmental authority denies approval of the merger or the bank merger and such denial has become final;
- if the Sunshine stockholders fail to approve the merger agreement;
- if the merger has not been completed by May 31, 2018, unless the failure to complete the merger by such date is due to a material breach of the merger agreement by the party seeking to terminate it; and
- if there is a breach by the other party of any representation, warranty, covenant or other agreement set forth in the merger agreement (subject to the materiality standard contained in the merger agreement) and such breach is not cured within 30 days following written notice to the breaching party).

In addition, the merger agreement may be terminated:

- by CenterState, if before obtaining the approval of the Sunshine stockholders of the merger agreement, (i) the Sunshine board of directors fails to recommend or makes an adverse recommendation change, breaches its obligations with respect to calling a meeting of its stockholders or makes, or causes to be made, any third party or public communication proposing or announcing an intention to withdraw or modify, in any manner adverse to CenterState, such recommendation (referred to as a “change in recommendation”), (ii) Sunshine approves or recommends or fails to publicly recommend against another acquisition proposal, (iii) Sunshine fails to publicly reconfirm the Sunshine recommendation that it stockholders approve the merger, (iv) Sunshine resolves or otherwise determines to take or announces an intention to take any of the foregoing actions, or (v) Sunshine materially breaches any of the provisions of the merger agreement relating to third party proposals (we refer to any of the foregoing terminations to be a “Sunshine Failure to Recommend”);
- by Sunshine, prior to obtaining the approval of the merger agreement by the Sunshine stockholders, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to third party proposals (which we refer to as a “Superior Proposal Termination”); and
- by Sunshine, if both of the following conditions exist:
  - (iii) the quotient obtained by dividing the CenterState average stock price by \$23.93 (which we refer to as the “CenterState Ratio”) is less than 0.85, and
  - (iv) the CenterState Ratio is less than the quotient obtained by dividing the average closing prices for the Nasdaq Bank Index during a specified time prior to completion of the merger by \$3,569.16, and then subtracting 0.15 from this quotient (which we refer to as the “Index Ratio”);

and Sunshine complies with the following. First, Sunshine must elect to terminate the merger agreement. If Sunshine elects to exercise its termination right, it must give prompt written notice to CenterState. During the five business day period commencing with its receipt of such notice, CenterState has the option to either adjust the merger consideration or provide a cash payment so that the merger consideration or the combination of such cash payment plus the merger consideration equals the lesser of:

- (x) a number obtained by dividing (i) the product of \$23.93 and the merger consideration, by (ii) the CenterState average stock price, or
- (y) a number obtained by dividing (i) the product of the Index Ratio and the merger consideration, by (ii) the CenterState Ratio.

## [Table of Contents](#)

If CenterState so elects within such five business day period, it must give written notice to Sunshine of such election and the adjusted merger consideration, whereupon no termination will have occurred and the merger agreement will remain in effect in accordance with its terms (except as modification of the merger consideration).

### **Termination Fee**

Sunshine must pay CenterState a termination fee of \$7.068 million:

- if the merger agreement is terminated by CenterState because of a Sunshine Failure to Recommend or by Sunshine as a result of a Superior Proposal Termination; or
- if the merger agreement is terminated by CenterState or Sunshine because the Sunshine shareholders fail to approve the merger agreement or by CenterState due to a material breach of a representation or warranty by Sunshine and, if prior to such termination, there shall have been made known to senior management of Sunshine or has been made directly to Sunshine shareholders generally or any person shall have publicly announced (and not withdrawn) an acquisition proposal (as defined in the merger agreement) and, within 12 months of such termination, Sunshine or Sunshine Bank enters into a definitive agreement with respect to an acquisition proposal or completes an acquisition proposal (whether or not it is the same acquisition proposal referred to previously).

### **Effect of Termination**

A termination of the merger agreement will not relieve a breaching party from liability for any breach of any covenant, agreement, representation or warranty of the merger agreement giving rise to such termination. Notwithstanding the foregoing, the parties have agreed that if Sunshine pays or causes to be paid to CenterState the termination fee in accordance with the merger agreement, Sunshine (or any successor in interest of Sunshine) will not have any further obligations or liabilities to CenterState with respect to the merger agreement or the transactions contemplated by it.

### **Amendment; Waiver**

Prior to the effective time of the merger and to the extent permitted by applicable law, any provision of the merger agreement may be (a) waived by the party benefitted by the provision, provided the waiver is in writing and signed by such party, or (b) amended or modified at any time, by an agreement in writing among the parties, except that after the special meeting no amendment may be made that by law requires further approval by the stockholders of Sunshine without obtaining such approval.

### **Expenses**

All expenses incurred in connection with the merger, the bank merger, the merger agreement and other transactions contemplated thereby will be paid by the party incurring the expenses. Nothing in the merger agreement limits either party's rights to recover any liabilities or damages arising out of the other party's willful breach of any provision of the merger agreement.

### **Non-Competition and Non-Disclosure Agreements**

At the time of the execution of the merger agreement, each director of Sunshine (other than Ms. Kilborne, who has a one-year non-competition provision in her current employment agreement) executed a non-competition and non-disclosure agreement with CenterState, in which each such director has agreed, among other things:

- not to disclose confidential information or trade secrets relating to the business of Sunshine and of which the director became aware as a consequence of his relationship with Sunshine for one year after the effective time of the merger; and

## [Table of Contents](#)

- for a period of two years after the effective time of the merger, directly on the director's own behalf or on behalf any other person not to:
  - solicit any customer of CenterState, CenterState Bank or Sunshine Bank, including known actively sought prospective customers of Sunshine Bank at the effective time of the merger, for the purpose of providing competitive products or services;
  - act as a director, manager, officer, or employee of any business that is the same or essentially the same as the business conducted by CenterState, CenterState Bank or Sunshine and that has an office located within any county in Florida where Sunshine Bank operates a banking office as of the closing of the merger and each county contiguous to each of such counties; or
  - solicit or recruit or attempt to solicit or recruit any employee of CenterState, CenterState Bank or Sunshine Bank.

### **Claims Letters with Directors**

At the time of the execution of the merger agreement, each director of Sunshine executed a letter agreement with CenterState, pursuant to which each such director released and discharged, effective upon the consummation of the merger, Sunshine, its directors and officers (in their capacities as such), and their respective successors and assigns (including CenterState and CenterState Bank), of and from any and all liabilities or claims that the director has or claims to have, or previously had or claimed to have, solely in his capacity as an officer, director or employee of Sunshine, as of the effective time of the merger. The release does not apply to (i) compensation for services that has accrued but not yet been paid in the ordinary course of business consistent with past practice; (ii) claims that the director may have in any capacity other than as an officer, director or employee of Sunshine, such as claims as a borrower under loan commitments and loan agreements, claims as a depositor under any deposit account or as the holder of any certificate of deposit, claims on account of any services rendered in a capacity other than as an officer, director or employee, claims in his or her capacity of a stockholder of Sunshine and claims as a holder of any check issued by any other depositor of Sunshine; (iii) any claims that the director may have under the merger agreement, including with respect to the indemnification provisions of the merger agreement; or (iv) any right to indemnification that the director may have under the articles of incorporation or bylaws of Sunshine, or the merger agreement.

### **Litigation Relating to the Merger**

On October 9, 2017, Sunshine received notice that a putative class action lawsuit was filed in the Circuit Court of the Thirteenth Judicial Circuit in Hillsborough, Florida against Sunshine, each of the members of its board of directors and CenterState, captioned *Stephen Bushansky, On Behalf of Himself and All Others Similarly Situated v. Sunshine Bancorp, Inc., Ray H. Rollyson, Jr., D. William Morrow, Joe E. Newsome, Will Weatherford, William E. Pommerening, Marion M. Smith, W.D. McGinnes, Jr., George Parmer, Kenneth H. Compton, Malcolm Robert Kirschenbaum, James T. Swann, Sal A. Nunziata, John C. Reich, Andrew S. Samuel, Dana S. Kilborne and CenterState Bank Corporation*. The complaint alleges, among other things, that these persons breached their fiduciary duties in connection with the proposed merger by, among other things: agreeing to an allegedly unfair price for the sale of Sunshine; agreeing to protection devices that the plaintiff alleges is impermissible; and approving the transaction notwithstanding alleged conflicts of interest. The complaint also alleges that CenterState aided and abetted those alleged fiduciary breaches. The plaintiff also alleges that the proxy statement/prospectus filed in connection with the merger was materially incomplete and misleading. The plaintiff seeks as relief, among other things, for the court to declare that the defendants have breached their fiduciary duties; to enjoin defendants from proceeding with the merger unless and until Sunshine provides all material information to Sunshine's stockholders and adopts a procedure to obtain a merger agreement providing the best available terms; to award plaintiff fees and expenses; and to grant such other and further relief as the court deems just and proper.

The outcome of the pending and any additional future litigation is uncertain. If this case is not resolved, this lawsuit could prevent or delay completion of the merger and result in substantial costs to Sunshine and

[Table of Contents](#)

CenterState, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the merger is that no order, injunction or decree or other legal restraint or prohibition that prevents consummating the merger, the bank merger or any of the other transactions contemplated by the merger agreement will be in effect. As such, if the plaintiff is successful in obtaining an injunction prohibiting the completion of the merger on the agreed-upon terms, then such injunction may prevent the merger from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect CenterState's business, financial condition, results of operations and cash flows.

The defendants strongly believe that the lawsuit is without merit and intend to vigorously defend against the pending claims.

### **MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

Subject to the limitations, assumptions and qualifications described herein, it is the opinion of each of Hacker, Johnson & Smith, P.A. and Luse Gorman, PC that the material U.S. federal income tax consequences of the merger to "U.S. holders" (as defined below) of Sunshine common stock that exchange their shares of Sunshine common stock for shares of CenterState common stock in the merger are as described below. The tax opinions of the outside tax advisors for each of CenterState and Sunshine are filed as Exhibit 8.1 and Exhibit 8.2, respectively, to the registration statement on Form S-4 of which this proxy statement/prospectus is a part. These opinions, however, will not bind the IRS or the courts and no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income tax. This discussion is based upon the Code, the regulations promulgated under the Code and court and administrative rulings and decisions, all as in effect on the date of this proxy statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a bank, thrift or other financial institution;
- a tax-exempt organization;
- an S corporation, partnership or other pass-through entity (or an investor in an S corporation, partnership or other pass-through entity);
- an insurance company;
- a mutual fund;
- a regulated investment company;
- a real estate investment trust;
- a retirement plan, individual retirement account or other tax-deferred account;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Sunshine common stock subject to the alternative minimum tax provisions of the Code;



## Table of Contents

- a holder of Sunshine common stock that owns (or is deemed to own) 5% or more of the outstanding stock of Sunshine;
- a holder of Sunshine common stock that received Sunshine common stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a person that is not a U.S. holder (as defined below);
- a person that has a functional currency other than the U.S. dollar;
- a holder of Sunshine common stock that holds Sunshine common stock as part of a hedge, straddle, constructive sale, wash sale, conversion or other integrated transaction; or
- a United States expatriate.

In addition, this discussion does not address any alternative minimum tax, nor does it address any other U.S. federal tax consequences (such as gift or estate taxes) including any tax consequences arising under the unearned income Medicare contribution tax pursuant to Section 1411 of the Code. Determining the actual tax consequences of the merger to you may be complex. They will depend on your specific situation and on factors that are not within the control of Sunshine or CenterState. You should consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances.

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of Sunshine common stock that is for United States federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

The United States federal income tax consequences to a partner in an entity or arrangement that is treated as a partnership for United States federal income tax purposes and that holds Sunshine common stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Sunshine common stock should consult their own tax advisors.

It is a condition to CenterState’s obligation to complete the merger that CenterState receive an opinion from Hacker, Johnson & Smith, P.A., dated the closing date of the merger, to the effect that the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. It is a condition to Sunshine’s obligation to complete the merger that Sunshine receive an opinion from Luse Gorman, PC, dated the closing date of the merger, to the effect that the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In the opinion of Hacker, Johnson & Smith, P.A. and Luse Gorman, PC, the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code, with the tax consequences described below. These opinions will be based on representations, covenants and undertakings provided by CenterState and Sunshine and on customary factual assumptions. If any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected. CenterState and Sunshine have not sought and will not seek any ruling from the IRS regarding any matters relating to the mergers, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below.

Subject to the limitations, assumptions and qualifications described herein:

The merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and each of CenterState and Sunshine will be a party to the reorganization within the meaning of Section 368(b) of the Code and neither CenterState nor Sunshine will recognize any gain or loss as a result of the merger.

## [Table of Contents](#)

In addition, Sunshine stockholders who exchange their shares of Sunshine common stock for CenterState common stock pursuant to the merger will be subject to the following material U.S. federal income tax consequences:

- no gain or loss will be recognized by Sunshine stockholders upon the exchange of shares of Sunshine common stock solely for shares of CenterState common stock, except in respect of cash received in lieu of the issuance of a fractional share of CenterState common stock;
- the aggregate tax basis of the whole shares of CenterState common stock received by Sunshine stockholders will equal the aggregate tax basis of the Sunshine common stock surrendered in the exchange, reduced by the amount of basis allocated to the fractional share of CenterState common stock, if any, that is treated as received in exchange for Sunshine common stock and then redeemed as described below;
- the holding period of the CenterState common stock received by each Sunshine stockholder will include the holding period of the Sunshine common stock exchanged in the merger, provided the shares of Sunshine common stock were held as a capital assets at the effective date; and
- a Sunshine stockholder who receives cash in lieu of the issuance of a fractional shares of CenterState common stock will generally be treated as having received such fractional share pursuant to the merger and then as having received cash in exchange for such fractional share. Gain or loss generally will be recognized in an amount equal to the difference between the amount of cash received instead of the fractional share and the portion of the stockholder's aggregate adjusted tax basis of the Sunshine shares exchanged in the merger that is allocable to the fractional share of CenterState common stock. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares of Sunshine common stock is more than one year.

Any gain that holders of Sunshine common stock recognize in connection with the merger generally will constitute capital gain and will constitute long-term capital gain if such holders have held (or are treated as having held) their Sunshine common stock for more than one year as of the date of the merger. Long-term capital gain of non-corporate holders of Sunshine common stock is generally taxed at preferential rates (such gain may also be subject to an additional 3.8% Medicare Tax, as discussed below). In some cases, particularly if a holder actually or constructively owns CenterState stock other than CenterState stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302 of the Code, in which case such gain could be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each holder's particular circumstance, including the application of the constructive ownership rules, holders of Sunshine common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances. The deductibility of capital losses is subject to limitations under the Code.

U.S. shareholders that are individuals, estates, and certain trusts are now subject to an additional 3.8% tax on all or a portion of their "net investment income," which may include any gain realized or amounts received with respect to their shares of Sunshine common stock, to the extent of their net investment income that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. Sunshine stockholders should consult their own tax advisors with respect to the applicability of this additional 3.8% tax on any payments received by such stockholder.

### **Reporting Requirements and Backup Withholding**

All holders of Sunshine common stock will be required to retain records pertaining to the merger and may be required to file with the holder's United States federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

[Table of Contents](#)

In addition, holders of Sunshine common stock other than certain exempt recipients may be subject to information reporting and backup withholding (currently at a rate of 28%) on any cash payments received in lieu of fractional shares of CenterState common stock. Such a holder generally will not be subject to backup withholding, however, if the holder:

- provides proof that the holder is otherwise exempt from backup withholding, furnishes a correct taxpayer identification number, certifies that the holder is not subject to backup withholding on the Form W-9 or successor form included in the election form/letter of transmittal the holder will receive and otherwise complies with all the applicable requirements of the backup withholding rules; or
- provides proof that the holder is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against the holder's United States federal income tax liability, provided the holder timely furnishes the required information to the Internal Revenue Service.

**TAX MATTERS CAN BE QUITE COMPLICATED. THE FOREGOING SUMMARY OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES DOES NOT CONSTITUTE TAX OR LEGAL ADVICE AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER. IN ADDITION, THE SUMMARY DOES NOT ADDRESS TAX CONSEQUENCES THAT MAY VARY WITH, OR ARE CONTINGENT ON, INDIVIDUAL CIRCUMSTANCES. MOREOVER, THE SUMMARY DOES NOT ADDRESS ANY U.S. FEDERAL NON-INCOME TAX OR ANY FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE MERGER, OR ANY TAX CONSEQUENCES OF ANY TRANSACTION OTHER THAN THE MERGER. ACCORDINGLY, EACH SUNSHINE STOCKHOLDER IS URGED TO CONSULT HIS, HER, OR ITS OWN TAX ADVISOR TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL, OR FOREIGN INCOME OR OTHER TAX CONSEQUENCES OF THE MERGER TO SUCH SUNSHINE STOCKHOLDER.**

[Table of Contents](#)**COMPARISON OF SHAREHOLDER RIGHTS**

CenterState is incorporated under the laws of the State of Florida and, accordingly, the rights of its shareholders are governed by Florida law and its articles of incorporation and bylaws. Sunshine is incorporated under the laws of the State of Maryland and, accordingly, the rights of its stockholders are governed by Maryland law and its articles of incorporation and bylaws. After the merger, the rights of former stockholders of Sunshine will be determined by reference to CenterState's articles of incorporation and bylaws and Florida law. Set forth below is a description of the material differences between the rights of Sunshine stockholders and CenterState shareholders.

	<b>SUNSHINE</b>	<b>CENTERSTATE</b>
<b>Capital Stock</b>	Holders of Sunshine capital stock are entitled to all the rights and obligations provided to stockholders under Maryland law and Sunshine's articles of incorporation and bylaws.	Holders of CenterState capital stock are entitled to all the rights and obligations provided to capital shareholders under the FBCA and CenterState's articles of incorporation and bylaws.
<b>Authorized</b>	Sunshine's authorized capital stock consists of 50,000,000 shares of common stock, par value \$0.01 per share and 5,000,000 shares of preferred stock, par value \$0.01 per share.	CenterState's authorized capital stock consists of 100,000,000 shares of common stock, par value \$.01 per share, and 5,000,000 shares of preferred stock, par value \$.01 per share.
<b>Outstanding</b>	As of October 9, 2017 there were 8,026,354 shares of Sunshine common stock outstanding and no shares of preferred stock outstanding.	As of October 9, 2017, there were 60,055,817 shares of CenterState common stock outstanding and no shares of CenterState preferred stock outstanding.
<b>Voting Rights</b>	Holders of Sunshine common stock generally are entitled to one vote per share in the election of directors and on all other matters submitted to a vote at a meeting of stockholders. However, any person who beneficially owns more than 10% of the then-outstanding shares of Sunshine common stock will not be permitted to vote any shares of common stock held in excess of the 10% limit.	Holders of CenterState common stock generally are entitled to one vote per share in the election of directors and on all other matters submitted to a vote at a meeting of shareholders.
<b>Cumulative Voting</b>	No stockholder has the right to cumulate votes in the election of directors.	No shareholder has the right to cumulate votes in the election of directors.

[Table of Contents](#)

	SUNSHINE	CENTERSTATE
<b>Stock Transfer Restrictions</b>	None.	None.
<b>Dividends</b>	<p>Holders of common stock are entitled, when declared by the Sunshine board, to receive dividends, subject to the rights of holders of preferred stock. Under Maryland law, no dividends, redemptions, stock repurchases or other distributions may be declared or paid if, after giving effect to the dividend, redemption, stock repurchase or other distribution, (1) the corporation would not be able to pay its debts as they become due in the usual course of business or (2) the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter provides otherwise, the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. In addition, a Maryland corporation that would be prohibited from making a distribution because its assets would be less than the sum of its total liabilities and preferences of outstanding preferred stock may also make a distribution from the net earnings of the corporation for the fiscal year in which the distribution is made, equal to the net earnings of the corporation for the preceding fiscal year, or the sum of the net earnings of the corporation for the preceding eight fiscal quarters.</p>	<p>Under the FBCA, a corporation may make a distribution, unless after giving effect to the distribution:</p> <ul style="list-style-type: none"> <li>the corporation would not be able to pay its debts as they come due in the usual course of business; or</li> <li>the corporation's assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.</li> </ul> <p>Under the FBCA, a corporation's redemption of its own common stock is deemed a distribution.</p>
<b>Number of Directors</b>	<p>Sunshine's bylaws provide that the number of directors serving on the Sunshine board of directors shall be such number as determined from time to time by the board of directors. There are</p>	<p>CenterState's bylaws provide that the number of directors serving on the CenterState board of directors shall be such number as determined from time to time by the board of</p>

[Table of Contents](#)

	SUNSHINE	CENTERSTATE
	currently fifteen directors serving on the Sunshine board of directors. Sunshine directors are divided into three classes and the members of each class are elected for a three-year term and until their successors are elected and qualified, subject to such director's death, resignation or removal.	directors. There are currently 14 directors serving on the CenterState board of directors. CenterState directors are elected annually and each director holds office for the term for which he or she is elected and until his or her successor is elected and qualified, subject to such director's death, resignation or removal.
<b>Election of Directors</b>	Sunshine's bylaws provide that directors are elected by a plurality of the votes cast by the holders of the shares entitled to vote in an election of directors at a meeting at which a quorum is present.	CenterState's amended bylaws provide that directors are elected by a majority of the votes cast for each nominee in an uncontested election.  In the event of a contested election, the required vote for director nominees would revert to a plurality of the votes represented in person or by proxy. The majority voting standard sets forth procedures to be followed by the Board in the event a director is not elected.
<b>Removal of Directors</b>	Sunshine's articles provide that any director may be removed from office at any time, but only for cause and only by the affirmative vote of a majority of the voting power of all of the then-outstanding shares of common stock.	CenterState's bylaws provide that any director may be removed by the shareholders, with or without cause.
<b>Vacancies on the Board of Directors</b>	Any vacancies on the board of directors may be filled only by the affirmative vote of two-thirds of the remaining directors in office, even if the remaining directors do not constitute a quorum and any director elected to fill a vacancy will hold office for the remainder of the full term of the class of directors in which the vacancy occurred and until a successor is elected and qualifies.	CenterState's bylaws provide that in case of any vacancy on the board occurring between annual shareholders' meetings, the board may appoint a successor to serve.

[Table of Contents](#)

	SUNSHINE	CENTERSTATE
<b>Action by Written Consent</b>	Maryland law provides that its stockholders may act by unanimous written consent.	Florida law provides that its shareholders may act by written consent.
<b>Advance Notice Requirements for Shareholder Nominations and Other Proposals</b>	<p>Sunshine's bylaws provide an advance notice procedure for certain business, or nominations to the board of directors, to be brought before an annual meeting of shareholders. In order for a shareholder to properly bring business before an annual meeting, or to propose a nominee to the board of directors, Sunshine's Secretary must receive written notice not earlier than the close of business on the 90<sup>th</sup> day before the anniversary date of the proxy statement relating to the preceding year's annual meeting; provided that if less than 90 days' prior public disclosure of the date of the meeting is given to shareholders, notice by the shareholder must be received not later than the 10<sup>th</sup> day following the day on which public disclosure of the date of such meeting is first made. No adjournment or postponement of a meeting of stockholders will commence a new period for the giving of notice.</p>	<p>CenterState's Nomination and Shareholder Communication Policy provides that a shareholder who desires to nominate a person for election to the CenterState board of directors at a meeting of shareholders and who is eligible to make such nomination must give written notice of the proposed nomination to the Secretary of CenterState at the principal executive office of CenterState not less than 120 calendar days in advance of the date which is one year later than the date of CenterState's proxy statement released to shareholders in connection with the previous year's annual meeting of shareholders.</p> <p>Shareholder nominations and proposals are not otherwise addressed in CenterState's articles of incorporation or bylaws.</p>
<b>Notice of Shareholder Meeting</b>	<p>Sunshine's bylaws provide that the Secretary shall cause notice of each shareholders' meeting to be mailed to the shareholders of record not more than 90 days prior to the meeting date. The notice must set forth the time, place and purpose of such meeting. Any stockholder may waive notice of such meeting either before, after or at such meeting.</p>	<p>CenterState's bylaws provide that the Secretary or other person designated by the President, board or shareholders, shall cause notice of each shareholders' meeting to be mailed to the shareholders of record not less than 10 and not more than 60 days prior to the meeting date. The notice must set forth the time, place and purpose of such meeting. Any shareholder may waive notice of such meeting either before, after or at such meeting.</p>

[Table of Contents](#)

	SUNSHINE	CENTERSTATE
<b>Amendments to Charter</b>	<p>Sunshine's articles may be amended, upon the submission of an amendment by the board of directors to a vote of the stockholders, by the affirmative vote of at least two-thirds of the outstanding voting common stock of Sunshine, or by the affirmative vote of a majority of the outstanding shares of common stock if at least two-thirds of the members of the board of directors approves such amendment. However, approval by at least 80% of the outstanding common stock is required to amend certain provisions regarding, but not limited to, the limitation of voting rights, majority voting, classification of the board, board vacancies, removal of directors, amendment of the bylaws, acquisition offers, issuance of preferred stock, a stockholder quorum, indemnification of officers and directors, limitations on liability, cumulative voting, advance notice requirements for stockholder proposals and nominations, and the provision requiring at least 80% outstanding voting stock approval to amend the aforementioned provisions.</p>	<p>The FBCA requires that, unless the articles of incorporation provide for a greater vote, the votes cast in favor of an amendment to the articles of incorporation must exceed the votes cast against the amendment. The FBCA does not require shareholder approval for certain non-material amendments to the articles of incorporation.</p>
<b>Amendments to Bylaws</b>	<p>Sunshine's bylaws may be amended by a majority vote of the board of directors or by a vote of 80% of the outstanding shares of common stock.</p>	<p>CenterState's bylaws may be amended by the directors at any regular or special meeting.</p>
<b>Special Meeting of Stockholders</b>	<p>Sunshine's bylaws provide that special meetings of the stockholders may be called at any time by the Chairman, the Vice Chairman, the Chief Executive Officer or the directors.</p>	<p>CenterState's bylaws provide that special meetings of the shareholders may be called at any time by the Chairman, the President, the directors or by the holders of at least one-third of the shares entitled to be voted at such meeting.</p>
<b>Quorum</b>	<p>Sunshine's bylaws provide that a majority of the outstanding Sunshine stock entitled to vote shall constitute a quorum.</p>	<p>CenterState bylaws have a similar provision.</p>



[Table of Contents](#)

	SUNSHINE	CENTERSTATE
<b>Proxy</b>	Sunshine's bylaws provide that at any meeting of stockholders, any shareholder having the right to vote may be represented and may vote by proxy appointed in an instrument in writing.	CenterState bylaws have a similar provision.
<b>Preemptive Rights</b>	Sunshine's stockholders do not have preemptive rights.	CenterState's shareholders do not have preemptive rights.
<b>Shareholder Rights Plan/Shareholders' Agreement</b>	Sunshine does not have a rights plan. Neither Sunshine nor Sunshine stockholders are parties to a stockholders' agreement with respect to Sunshine's capital stock.	CenterState does not have a rights plan. Neither CenterState nor CenterState shareholders are parties to a shareholders' agreement with respect to CenterState's capital stock.
<b>Indemnification of Directors and Officers</b>	Sunshine's articles provide that Sunshine may indemnify its current and former directors, officers, employees and agents in accordance with that provided under Maryland law.	CenterState's bylaws provide that CenterState may indemnify its current and former directors, officers, employees and agents in accordance with that provided in the FBCA.
<b>Certain Business Combination Restrictions</b>	Sunshine's articles of incorporation do not contain any provision regarding business combinations between Sunshine and significant stockholders.	CenterState's articles of incorporation do not contain any provision regarding business combinations between CenterState and significant shareholders.
<b>Prevention of Greenmail</b>	Sunshine's articles of incorporation do not contain a provision designed to prevent greenmail.	CenterState's articles of incorporation do not contain a provision designed to prevent greenmail.
<b>Fundamental Business Transactions</b>	Sunshine's articles of incorporation do not contain any provision regarding stockholder approval of any similar fundamental business transaction.	CenterState's articles of incorporation do not contain any provision regarding shareholder approval of any similar fundamental business transaction.
<b>Non-Shareholder Constituency Provision</b>	Sunshine's articles of incorporation contain a provision that expressly permits the board of directors to consider constituencies other than the stockholders when evaluating certain offers	CenterState's articles of incorporation do not contain a provision that expressly permits the board of directors to consider constituencies other than the shareholders when evaluating certain offers.

[Table of Contents](#)

**Dissenters’ Rights**

SUNSHINE	CENTERSTATE
Under Maryland law, dissenters’ rights are not available to holders of shares of any class or series of shares that is designated as a national market system security or listed on an interdealer quotation system by the National Association of Securities Dealers, Inc. Accordingly, holders of Sunshine common stock are not entitled to exercise dissenters’ rights.	Under the FBCA, dissenters’ rights are not available to holders of shares of any class or series of shares which is designated as a national market system security or listed on an interdealer quotation system by the National Association of Securities Dealers, Inc. Accordingly, holders of CenterState common stock are not entitled to exercise dissenters’ rights under the FBCA.

[Table of Contents](#)**LEGAL MATTERS**

Certain matters pertaining to the validity of the CenterState common stock to be issued in connection with the merger will be passed upon by Smith Mackinnon, PA, Orlando, FL. A member of the Firm owns 18,364 shares of CenterState common stock. Certain matters pertaining to the federal income tax consequences of the merger will be passed upon for Sunshine by Luse Gorman, PC, Washington, DC.

**EXPERTS****CenterState**

The consolidated financial statements of CenterState Bank Corporation (formerly known as CenterState Banks, Inc.) as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 and the effectiveness of CenterState Bank Corporation's (formerly known as CenterState Banks, Inc.) internal control over financial reporting as of December 31, 2016, have been audited by Crowe Horwath LLP, an independent registered public accounting firm, as set forth in their report, appearing in CenterState's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference. Such consolidated financial statements have been so incorporated by reference in reliance upon the report of such firm given on their authority as experts in accounting and auditing.

Certain matters pertaining to the federal income tax consequences of the merger will be passed upon for CenterState by Hacker, Johnson & Smith, P.A.

**Sunshine**

The consolidated financial statements of Sunshine as of December 31, 2016 and 2015 and for each of the two years in the period ended December 31, 2016, have been audited by Hacker, Johnson & Smith, P.A., an independent registered public accounting firm, as set forth in their report appearing in Sunshine's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**HCBF**

The consolidated financial statements of HCBF Holding Company, Inc. as of and for the period ended December 31, 2016 have been audited by Crowe Horwath LLP, an independent registered public accounting firm, as set forth in their report, appearing in HCBF's Annual Report for the year ended December 31, 2016 and included as Appendix C in this proxy statement/prospectus. Such consolidated financial statements are included herein in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**Jefferson**

The consolidated financial statements of Jefferson Bankshares, Inc. as of December 31, 2016, have been audited by Hacker, Johnson & Smith, P.A., independent public accountants, as set forth in their report thereon, included therein. Such consolidated financial statements are included herein in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

[Table of Contents](#)**FUTURE STOCKHOLDER PROPOSALS**

Sunshine intends to hold an annual meeting during the year ending December 31, 2018 only if the merger is not completed.

To be eligible for inclusion in the proxy materials for Sunshine's 2018 annual meeting of stockholders, any stockholder proposal to take action at such meeting must be received at Sunshine's executive office, 102 West Baker Street, Plant City, Florida 33563, no later than November 24, 2017. If the date of the 2018 annual meeting of stockholders is changed by more than 30 days, any stockholder proposal must be received at a reasonable time before Sunshine prints or mails proxy materials for such meeting. Any such proposals are subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934.

To be considered at Sunshine's 2018 annual meeting of stockholders, but not included in proxy materials, a stockholder proposal to take action at such meeting must be received by Sunshine's Secretary at Sunshine's principal executive office by no later than the close of business on the 90th day before the anniversary date of the proxy statement relating to the preceding year's annual meeting and not earlier than the close of business on the 120th day before the anniversary date of the proxy statement relating to the preceding year's annual meeting; provided, that if (A) less than 90 days' prior public disclosure of the date of the meeting is given to stockholders and (B) the date of the annual meeting is advanced more than 30 days before or delayed more than 30 days after the anniversary of the preceding year's annual meeting, such written notice shall be timely if delivered or mailed to and received by Sunshine's Secretary at Sunshine's principal executive office not later than the tenth day following the day on which public disclosure of the date of such meeting is first made. Any such proposals shall be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934.

The notice with respect to stockholder proposals that are not nominations for director must set forth as to each matter: (i) a brief description of the proposal desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (ii) the name and address of such stockholder as they appear on the books of Sunshine and of the beneficial owner, if any, on whose behalf the proposal is made; (iii) the class or series and number of shares of capital stock that are owned beneficially or of record by such stockholder and such beneficial owner; (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business; and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

A notice with respect to director nominations must include (a) as to each person whom the stockholder proposes to nominate for election as a director, (i) all information relating to such person that would indicate such person's qualification to serve on Sunshine Board of Directors; (ii) an affidavit that such person would not be disqualified under the provisions of Article II, Section 12 of Sunshine's Bylaws; (iii) such information relating to such person that is required to be disclosed in connection with solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 or any successor rule or regulation, and (iv) a written consent of each proposed nominee to be named as a nominee and to serve as a director if elected; and (b) as to the stockholder giving the notice: (i) the name and address of such stockholder as they appear on Sunshine's books and of the beneficial owner, if any, on whose behalf the nomination is made; (ii) the class or series and number of shares of capital stock which are owned beneficially or of record by such stockholder and such beneficial owner; (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder; (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934.

[Table of Contents](#)**OTHER MATTERS**

As of the date of this proxy statement/prospectus management of Sunshine was unaware of any other matters to be brought before the special meeting other than those set forth herein. However, if any other matters are properly brought before the special meeting, the persons named in the enclosed form of proxy for Sunshine will have the discretionary authority to vote all proxies with respect to such matters in accordance with their best judgement.

[Table of Contents](#)**DOCUMENTS INCORPORATED BY REFERENCE**

The SEC allows CenterState and Sunshine to “incorporate by reference” information into this proxy statement/prospectus, which means that CenterState and Sunshine can disclose important information to you by referring you to another document filed separately by it with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by any information in this proxy statement/prospectus. This document incorporates by reference the following documents that have been filed previously with the SEC by CenterState and Sunshine:

**CenterState SEC Filings (SEC File Number 000-32017)**

- Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 2, 2017, including the portions of CenterState’s Definitive Proxy Statement on Schedule 14A filed on March 2, 2017, and incorporated into that Form 10-K by reference;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 4, 2017;
- Quarterly Report on Form 10-Q for the three month and six month periods ended June 30, 2017, filed on August 3, 2017;
- Current Reports on Form 8-K filed on January 9, 2017, January 13, 2017, January 25, 2017, April 3, 2017, April 10, 2017, May 1, 2017, July 20, 2017, August 14, 2017, September 1, 2017, September 7, 2017, and September 25, 2017; and
- The description of the CenterState common stock contained in CenterState’s Registration Statement on Form 8-A filed with the SEC on November 27, 2000, and any amendments or reports filed for the purpose of updating such description.

**Sunshine SEC Filings (SEC File Number 001-36539)**

- Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 24, 2017, including the portions of Sunshine’s Definitive Proxy Statement on Schedule 14A filed on March 30, 2017, and incorporated into that Form 10-K by reference;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 15, 2017;
- Quarterly Report on Form 10-Q for the three month and six month periods ended June 30, 2017, filed on August 10, 2017;
- Current Reports on Form 8-K filed on April 27, 2017 and August 15, 2017; and
- The description of the Sunshine common stock contained in Sunshine’s Registration Statement on Form 8-A filed with the SEC on July 14, 2014, and any amendments or reports filed for the purpose of updating such description.

In addition, CenterState and Sunshine are incorporating by reference any documents it may file under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this document and prior to the date of the special meeting of Sunshine’s stockholders provided, however, that neither CenterState nor Sunshine is incorporating by reference any information furnished (but not filed), except as otherwise specified herein.

CenterState and Sunshine file annual, quarterly and special reports, proxy statements and other business and financial information with the SEC. You may obtain the information incorporated by reference and any other materials CenterState and Sunshine file with the SEC without charge by following the instructions in the section entitled “Where You Can Find More Information” in the forepart of this proxy statement/prospectus.

[Table of Contents](#)

[Appendix A](#)

**AGREEMENT AND PLAN OF MERGER**

**by and between**

**CENTERSTATE BANKS, INC.**

**and**

**SUNSHINE BANCORP, INC.**

**Dated as of August 12, 2017**

[Table of Contents](#)**TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b><a href="#">THE MERGER</a></b>	<b>A-1</b>
Section 1.01	<a href="#">The Merger</a>	A-1
Section 1.02	<a href="#">Articles of Incorporation and Bylaws</a>	A-1
Section 1.03	<a href="#">Bank Merger</a>	A-1
Section 1.04	<a href="#">Directors and Officers</a>	A-2
Section 1.05	<a href="#">Effective Time; Closing</a>	A-2
Section 1.06	<a href="#">Additional Actions</a>	A-2
Section 1.07	<a href="#">Reservation of Right to Revise Structure</a>	A-2
<b>ARTICLE II</b>	<b><a href="#">MERGER CONSIDERATION; EXCHANGE PROCEDURES</a></b>	<b>A-3</b>
Section 2.01	<a href="#">Merger Consideration</a>	A-3
Section 2.02	<a href="#">Stock-Based Awards</a>	A-3
Section 2.03	<a href="#">Rights as Shareholders; Stock Transfers</a>	A-4
Section 2.04	<a href="#">Fractional Shares</a>	A-4
Section 2.05	<a href="#">Plan of Reorganization</a>	A-4
Section 2.06	<a href="#">Exchange Procedures</a>	A-4
Section 2.07	<a href="#">Deposit of Merger Consideration</a>	A-4
Section 2.08	<a href="#">Delivery of Merger Consideration</a>	A-5
Section 2.09	<a href="#">Anti-Dilution Provisions</a>	A-6
<b>ARTICLE III</b>	<b><a href="#">REPRESENTATIONS AND WARRANTIES OF SUNSHINE</a></b>	<b>A-6</b>
Section 3.01	<a href="#">Making of Representations and Warranties</a>	A-6
Section 3.02	<a href="#">Organization, Standing and Authority</a>	A-6
Section 3.03	<a href="#">Capitalization</a>	A-7
Section 3.04	<a href="#">Authority; No Violation</a>	A-8
Section 3.05	<a href="#">Consents and Approvals</a>	A-8
Section 3.06	<a href="#">Reports</a>	A-9
Section 3.07	<a href="#">Financial Statements</a>	A-10
Section 3.08	<a href="#">Absence of Certain Changes or Events</a>	A-11
Section 3.09	<a href="#">Legal Proceedings</a>	A-11
Section 3.10	<a href="#">Taxes and Tax Returns</a>	A-11
Section 3.11	<a href="#">Employees and Employee Benefit Plans</a>	A-12
Section 3.12	<a href="#">Compliance with Applicable Law</a>	A-14
Section 3.13	<a href="#">Certain Contracts</a>	A-15
Section 3.14	<a href="#">Agreements with Regulatory Agencies</a>	A-16
Section 3.15	<a href="#">Risk Management Instruments</a>	A-16
Section 3.16	<a href="#">Environmental Matters</a>	A-16
Section 3.17	<a href="#">Investment Securities and Commodities</a>	A-17
Section 3.18	<a href="#">Real Property</a>	A-17
Section 3.19	<a href="#">Intellectual Property</a>	A-17
Section 3.20	<a href="#">Related Party Transactions</a>	A-18
Section 3.21	<a href="#">Reorganization</a>	A-18
Section 3.22	<a href="#">Antitakeover Provisions</a>	A-18
Section 3.23	<a href="#">Broker's Fees</a>	A-18
Section 3.24	<a href="#">Opinion</a>	A-18
Section 3.25	<a href="#">Sunshine Information</a>	A-19
Section 3.26	<a href="#">Loan Portfolio</a>	A-19
Section 3.27	<a href="#">Insurance</a>	A-20



[Table of Contents](#)

<b>ARTICLE IV</b>	<b><u>REPRESENTATIONS AND WARRANTIES OF CENTERSTATE</u></b>	<b>A-20</b>
Section 4.01	<a href="#">Making of Representations and Warranties</a>	A-20
Section 4.02	<a href="#">Organization, Standing and Authority</a>	A-21
Section 4.03	<a href="#">Capitalization</a>	A-21
Section 4.04	<a href="#">Authority; No Violation</a>	A-22
Section 4.05	<a href="#">Consents and Approvals</a>	A-23
Section 4.06	<a href="#">Reports</a>	A-23
Section 4.07	<a href="#">Financial Statements</a>	A-24
Section 4.08	<a href="#">Taxes</a>	A-25
Section 4.09	<a href="#">Absence of Certain Changes or Events</a>	A-25
Section 4.10	<a href="#">Legal Proceedings</a>	A-25
Section 4.11	<a href="#">Compliance with Applicable Law</a>	A-25
Section 4.12	<a href="#">Agreements with Regulatory Agencies</a>	A-26
Section 4.13	<a href="#">Reorganization</a>	A-26
Section 4.14	<a href="#">Broker's Fees</a>	A-27
Section 4.15	<a href="#">CenterState Information</a>	A-27
Section 4.16	<a href="#">Financing</a>	A-27
Section 4.17	<a href="#">Contracts</a>	A-27
Section 4.18	<a href="#">Environmental Matters</a>	A-27
Section 4.19	<a href="#">Loan Portfolio</a>	A-27
Section 4.20	<a href="#">Insurance</a>	A-27
Section 4.21	<a href="#">Opinion</a>	A-27
<b>ARTICLE V</b>	<b><u>COVENANTS</u></b>	<b>A-28</b>
Section 5.01	<a href="#">Covenants of Sunshine</a>	A-28
Section 5.02	<a href="#">Covenants of CenterState</a>	A-32
Section 5.03	<a href="#">Commercially Reasonable Efforts</a>	A-32
Section 5.04	<a href="#">Shareholder Approval</a>	A-32
Section 5.05	<a href="#">Registration Statement; Proxy Statement-Prospectus; NASDAQ Listing</a>	A-33
Section 5.06	<a href="#">Regulatory Filings; Consents</a>	A-34
Section 5.07	<a href="#">Publicity</a>	A-34
Section 5.08	<a href="#">Access; Current Information</a>	A-34
Section 5.09	<a href="#">No Solicitation by Sunshine; Superior Proposals</a>	A-36
Section 5.10	<a href="#">Indemnification</a>	A-38
Section 5.11	<a href="#">Employees; Benefit Plans</a>	A-39
Section 5.12	<a href="#">Notification of Certain Changes</a>	A-41
Section 5.13	<a href="#">Transition; Informational Systems Conversion</a>	A-41
Section 5.14	<a href="#">No Control of Other Party's Business</a>	A-42
Section 5.15	<a href="#">Certain Litigation</a>	A-42
Section 5.16	<a href="#">Director Resignations</a>	A-42
Section 5.17	<a href="#">Non-Competition and Non-Disclosure Agreement</a>	A-42
Section 5.18	<a href="#">Claims Letters</a>	A-42
Section 5.19	<a href="#">Coordination</a>	A-42
Section 5.20	<a href="#">Transactional Expenses</a>	A-43
Section 5.21	<a href="#">Confidentiality</a>	A-43
Section 5.22	<a href="#">Tax Matters</a>	A-43

[Table of Contents](#)

<b>ARTICLE VI</b>	<b><a href="#">CONDITIONS TO CONSUMMATION OF THE MERGER</a></b>	<b>A-44</b>
Section 6.01	<a href="#">Conditions to Obligations of the Parties to Effect the Merger</a>	A-44
Section 6.02	<a href="#">Conditions to Obligations of Sunshine</a>	A-44
Section 6.03	<a href="#">Conditions to Obligations of CenterState</a>	A-45
Section 6.04	<a href="#">Frustration of Closing Conditions</a>	A-46
<b>ARTICLE VII</b>	<b><a href="#">TERMINATION</a></b>	<b>A-46</b>
Section 7.01	<a href="#">Termination</a>	A-46
Section 7.02	<a href="#">Termination Fee; Expenses</a>	A-48
Section 7.03	<a href="#">Effect of Termination</a>	A-49
<b>ARTICLE VIII</b>	<b><a href="#">DEFINITIONS</a></b>	<b>A-49</b>
Section 8.01	<a href="#">Definitions</a>	A-49
<b>ARTICLE IX</b>	<b><a href="#">MISCELLANEOUS</a></b>	<b>A-57</b>
Section 9.01	<a href="#">Survival</a>	A-57
Section 9.02	<a href="#">Waiver; Amendment</a>	A-57
Section 9.03	<a href="#">Governing Law; Waiver of Right to Trial by Jury; Venue</a>	A-57
Section 9.04	<a href="#">Expenses</a>	A-58
Section 9.05	<a href="#">Notices</a>	A-58
Section 9.06	<a href="#">Entire Understanding; No Third Party Beneficiaries</a>	A-59
Section 9.07	<a href="#">Severability</a>	A-59
Section 9.08	<a href="#">Enforcement of the Agreement</a>	A-59
Section 9.09	<a href="#">Interpretation</a>	A-59
Section 9.10	<a href="#">Assignment</a>	A-60
Section 9.11	<a href="#">Counterparts</a>	A-60
Exhibit A – Form of Voting Agreement		
Exhibit B – Form of Plan of Merger		
Exhibit C – Form of Bank Plan of Merger and Merger Agreement		
Exhibit D – Form of Director Non-Competition and Non-Disclosure Agreement		
Exhibit E – Form of Claims Letter		

[Table of Contents](#)**AGREEMENT AND PLAN OF MERGER**

This Agreement and Plan of Merger (this “**Agreement**”) is dated as of August 12, 2017, by and between CenterState Banks, Inc., a Florida corporation (“**CenterState**”), and Sunshine Bancorp, Inc., a Maryland corporation (“**Sunshine**” and, together with CenterState, the “**Parties**” and each a “**Party**”).

**WITNESSETH**

**WHEREAS**, the boards of directors of the Parties have determined that it is in the best interests of their respective companies and their respective shareholders to consummate the business combination transaction provided for in this Agreement in which Sunshine will, on the terms and subject to the conditions set forth in this Agreement, merge with and into CenterState (the “**Merger**”), with CenterState as the surviving company in the Merger (sometimes referred to in such capacity as the “**Surviving Entity**”);

**WHEREAS**, as a condition to the willingness of CenterState to enter into this Agreement, all of the directors of Sunshine and Savings Bank (as defined herein), have entered into voting agreements (each a “**Voting Agreement**” and collectively, the “**Voting Agreements**”), substantially in the form attached hereto as Exhibit A, dated as of the date hereof, with CenterState, pursuant to which each such director has agreed, among other things, to vote all of the Sunshine Common Stock owned by such director in favor of the approval of this Agreement and the transactions contemplated hereby, subject to the terms of the Voting Agreement;

**WHEREAS**, the Parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger; and

**WHEREAS**, for federal income tax purposes, it is intended that the Merger qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and this Agreement is intended to be and is adopted as a “plan of reorganization” for purposes of Sections 354 and 361 of the Code.

**NOW, THEREFORE**, in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I****THE MERGER**

Section 1.01. The Merger. Subject to the terms and conditions of this Agreement, in accordance with the Florida Business Corporation Act (the “**FBCA**”), and the Maryland General Corporation Law (the “**MGCL**”) at the Effective Time, Sunshine shall merge with and into CenterState pursuant to this Agreement and the Plan of Merger, substantially in the form attached hereto as Exhibit B and made a part hereof (the “**Plan of Merger**”). CenterState shall be the Surviving Entity in the Merger and shall continue its existence as a corporation under the laws of the State of Florida. As of the Effective Time, the separate corporate existence of Sunshine shall cease.

Section 1.02. Articles of Incorporation and Bylaws. At the Effective Time, the articles of incorporation of CenterState in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Entity until thereafter amended in accordance with applicable Law. The bylaws of CenterState in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Entity until thereafter amended in accordance with applicable Law and the terms of such bylaws.

Section 1.03. Bank Merger. Except as provided below, immediately following the Effective Time and sequentially but in effect simultaneously on the Closing Date, Sunshine Bank, a federal stock savings bank and a

[Table of Contents](#)

direct wholly owned subsidiary of Sunshine (“**Savings Bank**”), shall be merged (the “**Bank Merger**”) with and into CenterState Bank, N.A., a national banking association and a direct wholly owned subsidiary of CenterState (“**CenterState Bank**”), in accordance with the provisions of applicable federal banking laws and regulations, and CenterState Bank shall be the surviving bank (the “**Surviving Bank**”). The Bank Merger shall have the effects as set forth under applicable federal banking laws and regulations, and the boards of directors of the Parties shall cause the board of directors of CenterState Bank and Savings Bank, respectively, to approve a separate plan of merger and merger agreement (the “**Bank Plan of Merger**”) in substantially the form attached hereto as Exhibit C, and cause the Bank Plan of Merger to be executed and delivered as soon as practicable following the date of execution of this Agreement. Each of CenterState and Sunshine shall also approve the Bank Plan of Merger in their capacities as sole shareholders of CenterState Bank and Savings Bank, respectively. As provided in the Bank Plan of Merger, the Bank Merger may be abandoned at the election of CenterState Bank at any time, whether before or after filings are made for regulatory approval of the Bank Merger unless such abandonment would cause a material delay in the receipt of the Regulatory Approvals, but if the Bank Merger is abandoned for any reason, Savings Bank shall continue to operate as a wholly owned subsidiary of CenterState under its name.

Section 1.04. Directors and Officers. The current directors and officers of CenterState shall, from and after the Effective Time, continue as the directors and officers, respectively, of the Surviving Entity until their successors shall have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of the Surviving Entity.

Section 1.05. Effective Time; Closing.

(a) Subject to the terms and conditions of this Agreement, the Parties will make all such filings as may be required to consummate the Merger and the Bank Merger under applicable Law. The Merger shall become effective as set forth in the articles of merger (the “**Articles of Merger**”) related to the Merger, which will include the Plan of Merger, that shall be filed with the Department of State of the State of Florida, as provided in the FBCA, on the Closing Date, and with the Maryland State Department of Assessments and Taxation, as provided in the MGCL. The “**Effective Time**” of the Merger shall be the later of (i) the date and time of filing of the Articles of Merger, or (ii) the date and time when the Merger becomes effective as set forth in the Articles of Merger, which shall be no later than three (3) Business Days after all of the conditions to the Closing set forth in Article VI (other than conditions to be satisfied at the Closing, which shall be satisfied or waived at the Closing) have been satisfied or waived in accordance with the terms hereof or such later date as the Parties may agree.

(b) The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on a date and time which shall be at or immediately prior to the Effective Time (such date, the “**Closing Date**”) at the offices of CenterState, or such other place as the Parties may mutually agree. At or prior to the Closing, there shall be delivered by CenterState and Sunshine the Articles of Merger and such other certificates and other documents required to be delivered under Article VI.

Section 1.06. Additional Actions. If, at any time after the Effective Time, CenterState shall consider or be advised that any further deeds, documents, assignments or assurances in Law or any other acts are necessary or desirable to carry out the purposes of this Agreement, Sunshine and its Subsidiary and their respective officers and directors shall be deemed to have granted to CenterState and its Subsidiaries, and each or any of them, an irrevocable power of attorney to execute and deliver, in such official corporate capacities, all such deeds, assignments or assurances in Law or any other acts as are necessary or desirable to carry out the purposes of this Agreement, and the officers and directors of CenterState and its Subsidiaries, as applicable, are authorized in the name of Sunshine and its Subsidiaries or otherwise to take any and all such action.

Section 1.07. Reservation of Right to Revise Structure. CenterState may at any time and without the approval of Sunshine change the method of effecting the business combination contemplated by this Agreement if and to the extent that it deems such a change to be desirable; *provided, however*, that no such change shall (i) alter or change the amount or kind of the consideration to be issued to (x) Holders as Merger Consideration or

[Table of Contents](#)

(y) holders of Sunshine Stock Options, each as currently contemplated in this Agreement, (ii) reasonably be expected to materially impede or delay consummation of the Merger, (iii) adversely affect the federal income tax treatment of Holders in connection with the Merger or adversely limit or impact the qualification of the Merger as a reorganization under the provisions of Section 368(a) of the Code, or (iv) require submission to or approval of Sunshine's shareholders after this Agreement has been approved by Sunshine's shareholders. In the event that CenterState elects to make such a change, the Parties agree to execute appropriate documents to reflect the change.

## ARTICLE II

### MERGER CONSIDERATION; EXCHANGE PROCEDURES

Section 2.01. Merger Consideration. Subject to the provisions of this Agreement, at the Effective Time, automatically by virtue of the Merger and without any action on the part of the Parties or any shareholder of Sunshine:

(a) Each share of CenterState Common Stock that is issued and outstanding immediately prior to the Effective Time shall remain outstanding following the Effective Time and shall be unchanged by the Merger.

(b) Each share of Sunshine Common Stock owned directly by CenterState, Sunshine or any of their respective Subsidiaries (other than shares in trust accounts, managed accounts and the like for the benefit of customers or shares held as collateral for outstanding debt previously contracted) immediately prior to the Effective Time, and each share of Sunshine Common Stock that is remitted to Sunshine prior to the Effective Time for purposes of repayment of the ESOP loan balance as contemplated by Section 5.11(i) shall be cancelled and retired at the Effective Time without any conversion thereof, and no payment shall be made with respect thereto.

(c) Each share of Sunshine Common Stock issued and outstanding immediately prior to the Effective Time (other than shares described in Section 2.01(b)), shall be converted, in accordance with the procedures set forth in this Article II, into the right to receive 0.89 shares of CenterState Common Stock (the "**Merger Consideration**"), and cash in lieu of fractional shares as specified in Section 2.04.

Section 2.02. Stock-Based Awards.

(a) Each valid option to purchase shares of Sunshine Common Stock (each, a "Sunshine Stock Option"), outstanding and unexercised immediately prior to the Effective Time shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become fully vested and be converted into an option to purchase that number of shares of CenterState Common Stock as shall equal the product obtained by multiplying the Merger Consideration (the "**Option Exchange Ratio**") by that number of shares of Sunshine Common Stock which such option entitled the holder thereof to purchase (rounded to the nearest whole share), and at an exercise price equal to the quotient obtained by dividing the exercise price per share of the Sunshine Stock Option by the Option Exchange Ratio (rounded to the nearest cent); provided however, that in the event that the Merger Consideration is modified as a result of the application of Section 2.09, then the Option Exchange Ratio shall be appropriately adjusted in order to reflect the impact of such modification to the Merger Consideration. Except with respect to the adjustment described in the preceding sentence, each Sunshine Stock Option shall remain in effect in accordance with its terms, including with respect to vesting and termination.

(b) Sunshine shall take all requisite action so that, as of the Effective Time, all Sunshine Stock Options and any other Rights, contingent or accrued, to acquire or receive Sunshine Common Stock or benefits measured by the value of such shares, and each award of any kind consisting of Sunshine Common Stock that may be held, awarded, outstanding, payable or reserved for issuance under the Sunshine Stock Plans, or otherwise, immediately prior to the Effective Time, whether or not then vested or exercisable, shall be, terminated and cancelled as of the Effective Time.

[Table of Contents](#)

(c) At the Effective Time, each share of restricted stock outstanding immediately prior thereto (each “***Sunshine Restricted Stock***”) shall vest in full and the restrictions thereon shall lapse, and shall be treated as issued and outstanding shares of Sunshine Common Stock for the purposes of this Agreement, including but not limited to Section 2.01.

(d) Prior to the Effective Time, the board of directors of Sunshine (or, if appropriate, any committee thereof administering the Sunshine Stock Plans) shall adopt such resolutions or take such other actions, including obtaining any necessary consents or amendments to the applicable award agreements and equity plans, as may be required to effectuate the provisions of this [Section 2.02](#).

Section 2.03. [Rights as Shareholders; Stock Transfers](#). At the Effective Time, all shares of Sunshine Common Stock, when converted in accordance with [Section 2.01](#), shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each Certificate or Book-Entry Share previously evidencing such shares shall thereafter represent only the right to receive for each such share of Sunshine Common Stock, the Merger Consideration and any cash in lieu of fractional shares of CenterState Common Stock in accordance with this Article II. At the Effective Time, holders of Sunshine Common Stock shall cease to be, and shall have no rights as, shareholders of Sunshine, other than the right to receive the Merger Consideration and cash in lieu of fractional shares of CenterState Common Stock as provided under this Article II. After the Effective Time, there shall be no registration of transfers on the stock transfer books of Sunshine of shares of Sunshine Common Stock.

Section 2.04. [Fractional Shares](#). Notwithstanding any other provision hereof, no fractional shares of CenterState Common Stock and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger. In lieu thereof, CenterState shall pay or cause to be paid to each holder of a fractional share of CenterState Common Stock, rounded to the nearest one hundredth of a share, an amount of cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in CenterState Common Stock to which such holder would otherwise be entitled by the CenterState Average Stock Price.

Section 2.05. [Plan of Reorganization](#). It is intended that the Merger shall constitute a reorganization within the meaning of Section 368(a) of the Code, and that this Agreement shall constitute a “plan of reorganization” as that term is used in Sections 354 and 361 of the Code.

Section 2.06. [Exchange Procedures](#). As promptly as practicable after the Effective Time but in no event later than five (5) Business Days after the Closing Date, and *provided that* Sunshine has delivered, or caused to be delivered, to the Exchange Agent all information that is necessary for the Exchange Agent to perform its obligations as specified herein, the Exchange Agent shall mail or otherwise cause to be delivered to each Holder appropriate and customary transmittal materials, in a form satisfactory to CenterState and Sunshine, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates or Book-Entry Shares shall pass, only upon delivery of the Certificates or Book-Entry Shares to the Exchange Agent, as well as instructions for use in effecting the surrender of the Certificates or Book-Entry Shares in exchange for the Merger Consideration as provided for in this Agreement (the “***Letter of Transmittal***”).

Section 2.07. [Deposit of Merger Consideration](#).

(a) Prior to the Effective Time, CenterState shall (i) deposit, or shall cause to be deposited, with the Exchange Agent, CenterState Common Stock issuable pursuant to [Section 2.01\(c\)](#) in book-entry form equal to the aggregate CenterState Common Stock portion of the Merger Consideration (excluding any fractional share consideration) (together with, to the extent then determinable, any cash payable in lieu of fractional shares pursuant to [Section 2.04](#)) (collectively, the “***Exchange Fund***”), and (ii) instruct the Exchange Agent to promptly pay such Merger Consideration and cash in lieu of fractional shares upon receipt of a properly completed Letter of Transmittal in accordance with this Agreement.

[Table of Contents](#)

(b) Any portion of the Exchange Fund that remains unclaimed by the shareholders of Sunshine for one (1) year after the Effective Time (as well as any interest or proceeds from any investment thereof) shall be delivered by the Exchange Agent to CenterState. Any shareholders of Sunshine who have not theretofore complied with this [Section 2.07](#) and [Section 2.08\(a\)](#), shall thereafter look only to CenterState for the Merger Consideration deliverable in respect of each share of Sunshine Common Stock such shareholder held as of immediately prior to the Effective Time, as determined pursuant to this Agreement, in each case without any interest thereon. If outstanding Certificates or Book-Entry Shares for shares of Sunshine Common Stock are not surrendered or the payment for them is not claimed prior to the date on which such shares of CenterState Common Stock or cash would otherwise escheat to or become the property of any governmental unit or agency, the unclaimed items shall, to the extent permitted by the law of abandoned property and any other applicable Law, become the property of CenterState (and to the extent not in its possession shall be delivered to it), free and clear of all claims or interest of any Person previously entitled to such property. Neither the Exchange Agent nor any Party shall be liable to any Holder represented by any Certificate or Book-Entry Share for any Merger Consideration (or any dividends or distributions with respect thereto) paid to a public official pursuant to applicable abandoned property, escheat or similar Laws. CenterState and the Exchange Agent shall be entitled to rely upon the stock transfer books of Sunshine to establish the identity of those Persons entitled to receive the Merger Consideration specified in this Agreement, which books shall be conclusive with respect thereto. In the event of a dispute with respect to ownership of any shares of Sunshine Common Stock represented by any Certificate or Book-Entry Share, CenterState and the Exchange Agent shall be entitled to tender to the custody of any court of competent jurisdiction any Merger Consideration represented by such Certificate or Book-Entry Share and file legal proceedings interpleading all parties to such dispute, and will thereafter be relieved with respect to any claims thereto.

Section 2.08. [Delivery of Merger Consideration.](#)

(a) Upon surrender to the Exchange Agent of its Certificate(s) or Book-Entry Share(s), accompanied by a properly completed Letter of Transmittal, a Holder will be entitled to receive the Merger Consideration and any cash in lieu of fractional shares of CenterState Common Stock to be issued or paid in consideration therefor in respect of the shares of Sunshine Common Stock represented by such Holder's Certificates or Book-Entry Shares. The Exchange Agent and CenterState, as the case may be, shall not be obligated to deliver cash and/or shares of CenterState Common Stock to a Holder to which such Holder would otherwise be entitled as a result of the Merger until such Holder surrenders the Certificates or Book-Entry Shares representing the shares of Sunshine Common Stock for exchange as provided in this [Article II](#), or, an appropriate affidavit of loss and indemnity agreement and/or a bond in such amount as may be required in each case by CenterState or the Exchange Agent.

(b) All shares of CenterState Common Stock to be issued pursuant to the Merger shall be deemed issued and outstanding as of the Effective Time and if ever a dividend or other distribution is declared by CenterState in respect of the CenterState Common Stock, the record date for which is at or after the Effective Time, that declaration shall include dividends or other distributions in respect of all shares of CenterState Common Stock issuable pursuant to this Agreement. No dividends or other distributions in respect of the CenterState Common Stock shall be paid to any holder of any unsurrendered Certificate or Book-Entry Share until such Certificate or Book-Entry Share is surrendered for exchange in accordance with this [Article II](#). Subject to the effect of applicable Laws, following surrender of any such Certificate or Book-Entry Share, there shall be issued and/or paid to the holder of the certificates representing whole shares of CenterState Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the dividends or other distributions with a record date after the Effective Time theretofore payable with respect to such whole shares of CenterState Common Stock and not paid and (ii) at the appropriate payment date, the dividends or other distributions payable with respect to such whole shares of CenterState Common Stock with a record date after the Effective Time but with a payment date subsequent to surrender.

(c) CenterState (through the Exchange Agent, if applicable) shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement to any Holder such amounts as CenterState is

[Table of Contents](#)

required to deduct and withhold under applicable Law. Any amounts so deducted and withheld shall be remitted to the appropriate Governmental Authority and upon such remittance shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made by CenterState or the Exchange Agent, as applicable.

Section 2.09. Anti-Dilution Provisions. If the number of shares of CenterState Common Stock or Sunshine Common Stock issued and outstanding prior to the Effective Time shall be increased or decreased as a result of a stock split, stock combination, stock dividend, recapitalization or similar transaction, with respect to such stock, and the record date therefor shall be prior to the Effective Time, the Merger Consideration shall be proportionately adjusted as necessary to preserve the relative economic benefit to the Parties.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF SUNSHINE

##### Section 3.01. Making of Representations and Warranties.

Except as disclosed in the disclosure schedule delivered by Sunshine to CenterState concurrently herewith (the “**Sunshine Disclosure Schedule**”); Sunshine hereby represents and warrants to CenterState that the statements contained in this Article III are correct as of the date of this Agreement and will be correct as of the Closing Date (as though made on and as of the Closing Date), except as to any representation or warranty which specifically speaks as of an earlier date (including without limitation representations made as of “the date hereof”), which only need be correct as of such earlier date. “Knowledge” or “knowledge” as to Sunshine and any other phrase of similar import means, with respect to any matter in question relating to Sunshine, of those individuals set forth on Sunshine Disclosure Schedule 3.01(a). Sunshine has made a good faith effort to ensure that the disclosure on each schedule of the Sunshine Disclosure Schedule corresponds to the section referenced herein. However, for purposes of the Sunshine Disclosure Schedule, any item disclosed on any schedule therein or publicly filed with the SEC is deemed to be fully disclosed with respect to all sections of this Agreement under which such item may be relevant as and to the extent that it is reasonably clear on the face of such schedule that such item applies to such other section of this Agreement.

##### Section 3.02. Organization, Standing and Authority.

(a) Sunshine is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland and is a savings and loan holding company within the meaning of the Home Owners’ Loan Act, as amended. Sunshine has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted. Sunshine is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not, either individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on Sunshine. Sunshine Disclosure Schedule 3.02(a) sets forth a complete and accurate list of all such jurisdictions. True and complete copies of the Articles of Incorporation of Sunshine (the “**Sunshine Articles**”) and the By-Laws of Sunshine (the “**Sunshine Bylaws**”), as in effect as of the date of this Agreement, have previously been made available by Sunshine to CenterState.

(b) Savings Bank is Sunshine’s sole Subsidiary (“**Sunshine Subsidiary**”) (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business and, where such concept is recognized under applicable law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Sunshine and (iii) has all requisite corporate power and authority to own or



## [Table of Contents](#)

lease its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of the Sunshine Subsidiary to pay dividends or distributions except for restrictions on dividends or distributions generally applicable to all federally chartered savings institutions. The deposit accounts of the Sunshine Subsidiary are insured by the Federal Deposit Insurance Corporation (the “**FDIC**”) through the Deposit Insurance Fund (as defined in Section 3(y) of the Federal Deposit Insurance Act of 1950, as amended) to the fullest extent permitted by law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or, to Sunshine’s knowledge, threatened. There is no Person whose results of operations, cash flows, changes in shareholders’ equity or financial position are consolidated in the financial statements of Sunshine other than Sunshine Subsidiary.

### Section 3.03. Capitalization.

(a) The authorized capital stock of Sunshine consists of 50,000,000 shares of Sunshine Common Stock, \$0.01 par value per share, and 5,000,000 shares of preferred stock, \$0.01 par value per share, of which no shares of preferred stock are issued or outstanding. As of the date of this Agreement, no shares of capital stock or other voting securities of Sunshine are issued, reserved for issuance or outstanding, other than (i) 8,026,508 shares of Sunshine Common Stock issued and outstanding, and (ii) 713,210 shares of Sunshine Common Stock reserved for issuance upon the exercise of outstanding Sunshine Stock Options. Sunshine has 81,674 shares of outstanding Sunshine restricted stock awards, all of which are included in the Sunshine Common Stock issued and outstanding shares in Section 3.03(a)(i). All of the issued and outstanding shares of Sunshine Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. No bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which shareholders of Sunshine may vote are issued or outstanding. There are no contractual obligations of Sunshine or its Subsidiary pursuant to which Sunshine or its Subsidiary could be required to register shares of capital stock or other securities of Sunshine or its Subsidiary under the Securities Act. Except as set forth in Sunshine Disclosure Schedule Section 3.03(a), as of the date of this Agreement, no trust preferred or subordinated debt securities of Sunshine are issued or outstanding. Other than the Sunshine Equity Awards issued prior to the date of this Agreement, there are no outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements obligating Sunshine to issue, transfer, sell, purchase, redeem or otherwise acquire any shares of Sunshine Common Stock or any other equity interests of Sunshine.

(b) There are no voting trusts, shareholder agreements, proxies or other agreements in effect pursuant to which Sunshine or the Sunshine Subsidiary has a contractual or other obligation with respect to the voting or transfer of the Sunshine Common Stock or other equity interests of Sunshine.

(c) Sunshine Disclosure Schedule Section 3.03(c) sets forth a true, correct and complete list of all Sunshine Equity Awards outstanding as of the date hereof, specifying, on a holder-by-holder basis, (i) the name of each holder of such Sunshine Equity Award, (ii) the number of shares subject to each such Sunshine Equity Award, (iii) the grant date of each such Sunshine Equity Award, (iv) the Sunshine Stock Plan under which such Sunshine Equity Award was granted, (v) the exercise price for each such Sunshine Equity Award that is a Sunshine Stock Option, (vi) the expiration date of each such Sunshine Equity Award that is a Sunshine Stock Option, and (vii) the terms of each Sunshine Equity Award that is a Sunshine restricted stock award. Other than the Sunshine Equity Awards, no equity-based awards (including any cash awards where the amount of payment is determined in whole or in part based on the price of any capital stock of Sunshine or its Subsidiary) are outstanding.

(d) Sunshine owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity ownership interests of the Sunshine Subsidiary, free and clear of any liens, pledges, charges, encumbrances and security interests whatsoever (“Liens”), and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (except, with respect to Sunshine Subsidiary, as provided under 12 U.S.C. § 55 or any comparable provision of applicable state law) and free of

## [Table of Contents](#)

preemptive rights, with no personal liability attaching to the ownership thereof. Sunshine Subsidiary has no or is not bound by any outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

### Section 3.04. Authority; No Violation.

(a) Sunshine has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Merger have been duly and validly approved by the Board of Directors of Sunshine. The Board of Directors of Sunshine has determined that the Merger, on the terms and conditions set forth in this Agreement, is in the best interests of Sunshine and has directed that this Agreement and the transactions contemplated hereby be submitted to Sunshine's shareholders for approval at a meeting of such shareholders and has adopted a resolution to the foregoing effect. Except for the approval of this Agreement by the affirmative vote of the majority of the outstanding shares of Sunshine Common Stock (the "***Requisite Sunshine Vote***"), and the adoption and approval of the Bank Merger Agreement by the board of directors of Savings Bank and Sunshine as its sole shareholder, no other corporate proceedings on the part of Sunshine are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sunshine and (assuming due authorization, execution and delivery by CenterState) constitutes a valid and binding obligation of Sunshine, enforceable against Sunshine in accordance with its terms (except in all cases as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws of general applicability relating to or affecting insured depository institutions or the rights of creditors generally and subject to general principles of equity (the "***Enforceability Exceptions***")).

(b) Neither the execution and delivery of this Agreement by Sunshine nor the consummation by Sunshine of the transactions contemplated hereby, nor compliance by Sunshine with any of the terms or provisions hereof, will (i) violate any provision of Sunshine Articles or Sunshine Bylaws or (ii) assuming that the consents, approvals and filings referred to in Section 3.05 are duly obtained and/or made, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Sunshine or Sunshine Subsidiary or any of their respective properties or assets, including but not limited to, 12 C.F.R. 239.63(f), or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Sunshine or Sunshine Subsidiary under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Sunshine or Sunshine Subsidiary is a party, or by which they or any of their respective properties or assets may be bound, except (in the case of clause (ii) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect on Sunshine.

Section 3.05. Consents and Approvals. Except for (a) the filing of applications, filings and notices, as applicable, with the Board of Governors of the Federal Reserve System (the "***Federal Reserve Board***") under the BHC Act and the Home Owners' Loan Act and approval of such applications, filings and notices, (b) the filing of applications, filings and notices, as applicable, with the OCC in connection with the Bank Merger, under the Bank Merger Act, and approval of such applications, filings and notices, (c) the filing of any required applications, filings or notices, as applicable, with the Financial Industry Regulatory Authority ("***FINRA***") and the approval of such applications, filings and notices, (d) the filing with the Securities and Exchange Commission (the "***SEC***") of a proxy statement in definitive form relating to the meeting of Sunshine's shareholders to be held in connection with this Agreement and the transactions contemplated hereby (including any amendments or

[Table of Contents](#)

supplements thereto, the “*Proxy Statement-Prospectus*”), and of the registration statement on Form S-4 in which the Proxy Statement will be included as a prospectus, to be filed with the SEC by CenterState in connection with the transactions contemplated by this Agreement (the “*S-4*”) and declaration of effectiveness of the S-4, (d) the filing of the Certificates/Articles of Merger with the Florida Secretary of State pursuant to the FBCA and the Maryland State Department of Assessments and Taxation pursuant to the MGCL to the extent required, and (e) such filings and approvals as are required to be made or obtained under the securities or “Blue Sky” laws of various states in connection with the issuance of the shares of CenterState Common Stock pursuant to this Agreement and the approval of the listing of such CenterState Common Stock on NASDAQ (the “*Regulatory Approvals*”), no consents or approvals of or filings or registrations with any Governmental Authority are necessary in connection with (A) the execution and delivery by Sunshine of this Agreement or (B) the consummation by Sunshine of the Merger and the other transactions contemplated hereby (including the consummation by Savings Bank of the Bank Merger). As of the date hereof, Sunshine is not aware of any reason why the necessary Regulatory Approvals and consents will not be received in order to permit consummation of the Merger and Bank Merger on a timely basis.

Section 3.06. Reports.

(a) Sunshine and its Subsidiary have timely filed (or furnished, as applicable) all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2015 with (i) any state regulatory authority, (ii) the SEC, (iii) the Federal Reserve Board, (iv) the FDIC, and (v) the OCC (each a “*Regulatory Agency*” and collectively, the “*Regulatory Agencies*”), including any report, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith, except where the failure to file such report, registration or statement or to pay such fees and assessments, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect on Sunshine or its Subsidiary, as the case may be. Except for examinations of Sunshine and its Subsidiary conducted by a Regulatory Agency in the ordinary course of business, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of Sunshine, investigation into the business or operations of Sunshine or its Subsidiary since January 1, 2015, except where such proceedings or investigation would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine or its Subsidiary. There is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Sunshine its Subsidiary, which would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine.

(b) An accurate and complete copy of each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by Sunshine or its Subsidiary pursuant to the Securities Act of 1933, as amended (the “*Securities Act*”) or the Exchange Act, as the case may be, since January 1, 2015 (the “*Sunshine SEC Reports*”) is publicly available. No such Sunshine SEC Report, at the time filed, furnished or communicated (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all Sunshine SEC Reports filed or furnished under the Securities Act and the Exchange Act complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. As of the date of this Agreement, no executive officer of Sunshine has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 (the “*Sarbanes-Oxley Act*”). As of the date of this Agreement, there are no outstanding comments from or material unresolved issues raised by the SEC with respect to any of the Sunshine SEC Reports.

[Table of Contents](#)Section 3.07. Financial Statements.

(a) The financial statements of Sunshine and its Subsidiary included (or incorporated by reference) in Sunshine SEC Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Sunshine and its Subsidiary, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of Sunshine and its Subsidiary for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of Sunshine and its Subsidiary have been, since January 1, 2015, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements. Hacker Johnson & Smith, PA has not resigned (or informed Sunshine that it intends to resign) or been dismissed as independent public accountants of Sunshine as a result of or in connection with any disagreements with Sunshine on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine, neither Sunshine nor its Subsidiary has any liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except, (i) with respect to Sunshine and its Subsidiary, for those liabilities that are reflected or reserved against on the consolidated balance sheet of Sunshine included in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017 (including any notes thereto), (ii) for liabilities incurred in the ordinary course of business consistent with past practice since June 30, 2017, or (iii) in connection with this Agreement and the transactions contemplated hereby.

(c) The records, systems, controls, data and information of Sunshine and its Subsidiary are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of Sunshine or its Subsidiary or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine. Sunshine (i) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to Sunshine, including its Subsidiary, is made known to the chief executive officer and the chief financial officer of Sunshine by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to Sunshine's outside auditors and the audit committee of the Sunshine Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Sunshine's ability to record, process, summarize and report financial information, and (y) to the knowledge of Sunshine, any fraud, whether or not material, that involves management or other employees who have a significant role in Sunshine's internal controls over financial reporting (copies of such items in subsections (x) and (y) have previously been made available by Sunshine to CenterState). To the knowledge of Sunshine, there is no reason to believe that Sunshine's chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

(d) Since January 1, 2015, (i) neither Sunshine nor its Subsidiary, nor, to the knowledge of Sunshine, any director, executive officer, auditor, accountant or representative of Sunshine or its Subsidiary, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written

[Table of Contents](#)

or, to the knowledge of Sunshine, oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Sunshine or its Subsidiary or their respective internal accounting controls, including any material complaint, allegation, assertion or written claim that Sunshine or its Subsidiary has engaged in questionable accounting or auditing practices, and (ii) no attorney representing Sunshine or its Subsidiary, whether or not employed by Sunshine or its Subsidiary, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Sunshine or any of its officers, directors, employees or agents to the Board of Directors of Sunshine or any committee thereof or to the knowledge of Sunshine, to any director or officer of Sunshine.

Section 3.08. Absence of Certain Changes or Events.

(a) Since December 31, 2016, no event or events have occurred that have had or would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine.

(b) Since December 31, 2016, except with respect to the transactions contemplated hereby or as required or permitted by this Agreement, Sunshine and its Subsidiary have carried on their respective businesses in all material respects in the ordinary course.

Section 3.09. Legal Proceedings.

(a) Neither Sunshine nor its Subsidiary is a party to any, and there are no pending or, to Sunshine's knowledge, threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against Sunshine or its Subsidiary or, to Sunshine's knowledge, any of their current or former directors or executive officers (i) that would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine or the Sunshine Subsidiary, or (ii) reasonably likely to prevent, materially impede or materially delay its ability to perform its covenants and agreements under this Agreement or to consummate the transactions contemplated hereby.

(b) There is no injunction, order, judgment, decree, or regulatory restriction imposed upon Sunshine, its Subsidiary or the assets of Sunshine or its Subsidiary (or that, upon consummation of the Merger, would apply to the Surviving Entity or any of its affiliates).

Section 3.10. Taxes and Tax Returns.

(a) Each of Sunshine and its Subsidiary has duly and timely filed (taking into account all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects. Neither Sunshine nor its Subsidiary is the beneficiary of any extension of time within which to file any material Tax Return. All material Taxes of Sunshine and its Subsidiary that are due have been fully and timely paid. Each of Sunshine and its Subsidiary has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor, shareholder, independent contractor or other third party. Neither Sunshine nor its Subsidiary has granted any extension or waiver of the limitation period applicable to any material Tax that remains in effect. The federal income Tax Returns of Sunshine and its Subsidiary for all years up to and including December 31, 2012 have been examined by the Internal Revenue Service (the "IRS") or are Tax Returns with respect to which the applicable period for assessment under applicable law, after giving effect to extensions or waivers, has expired. No deficiency with respect to a material amount of Taxes has been proposed, asserted or assessed, in each case, in writing, against Sunshine or its Subsidiary. There are no pending or threatened in writing disputes, claims, audits, examinations or other proceedings regarding any material Taxes of Sunshine and its Subsidiary or the assets of Sunshine and its Subsidiary. In the last six (6) years, neither Sunshine nor its Subsidiary has been informed in writing by any jurisdiction that the jurisdiction believes that Sunshine or its Subsidiary was required to file any Tax Return that was not filed. Sunshine has made available to CenterState true, correct, and complete copies of any private letter ruling requests, closing agreements or gain recognition

## [Table of Contents](#)

agreements with respect to Taxes requested or executed in the last six (6) years. There are no Liens for material Taxes (except Taxes not yet due and payable) on any of the assets of Sunshine or its Subsidiary. Neither Sunshine nor its Subsidiary is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Sunshine and its Subsidiary). Neither Sunshine nor its Subsidiary (i) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was Sunshine) or (ii) has any liability for the Taxes of any person (other than Sunshine or its Subsidiary) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise. Neither Sunshine nor its Subsidiary has been, within the past two (2) years or otherwise as part of a “plan (or series of related transactions)” within the meaning of Section 355(e) of the Code of which the Merger is also a part, a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code. Neither Sunshine nor its Subsidiary has participated in a “listed transaction” within the meaning of Treasury Regulations Section 1.6011-4(b)(2). At no time during the past five (5) years has Sunshine been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code. Neither Sunshine nor its Subsidiary will be required to include any material item of income in, or to exclude any material item of deduction from, taxable income in any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting, (B) closing agreement, (C) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any similar provision of state, local or foreign law), (D) installment sale or open transaction disposition made on or prior to the Closing Date, or (E) prepaid amount received on or prior to the Closing Date, in the case of (A), (C), (D) and (E), outside of the ordinary course of business.

(b) As used in this Agreement, the term “**Tax**” or “**Taxes**” means all federal, state, local, and foreign income, excise, gross receipts, ad valorem, profits, gains, property, capital, sales, transfer, use, license, payroll, employment, social security, severance, unemployment, withholding, duties, excise, windfall profits, intangibles, franchise, backup withholding, value added, alternative or add-on minimum, estimated and other taxes, charges, fees, levies or like assessments together with all penalties and additions to tax and interest thereon.

(c) As used in this Agreement, the term “**Tax Return**” means any return, declaration, report, claim for refund, estimate, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, supplied or required to be supplied to a Governmental Entity.

### Section 3.11. Employees and Employee Benefit Plans.

(a) Sunshine Disclosure Schedule Section 3.11(a) sets forth a true and complete list of all Sunshine Benefit Plans. For purposes of this Agreement, “**Sunshine Benefit Plans**” means all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)), whether or not subject to ERISA, and all stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, retention, bonus, employment, change in control, termination or severance plans, programs, agreements or arrangements that are maintained, contributed to or sponsored or maintained by, or required to be contributed to, Sunshine or its Subsidiary for the benefit of any current or former employee, officer, director or independent contractor of Sunshine or its Subsidiary.

(b) Sunshine has heretofore made available to CenterState true and complete copies of (i) each Sunshine Benefit Plan, including any amendments thereto and all related trust documents, insurance contracts or other funding vehicles, and (ii) to the extent applicable, (A) the most recent summary plan description, if any, required under ERISA with respect to such Sunshine Benefit Plan, (B) the most recent annual report (Form 5500), if any, filed with the IRS, (C) the most recently received IRS determination letter or IRS advisory opinion letter, if any, relating to such Sunshine Benefit Plan, (D) the most recently prepared actuarial report for each Sunshine Benefit Plan (if applicable), and (E) all material correspondence to or from any Governmental Entity received in the last three years with respect to such Sunshine Benefit Plan.

## [Table of Contents](#)

(c) Each Sunshine Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and the requirements of all applicable laws, including ERISA and the Code. Neither Sunshine nor its Subsidiary has, within the prior three (3) years, taken any action to take corrective action or make a filing under any voluntary correction program of the IRS, Department of Labor or any other Governmental Entity with respect to any Sunshine Benefit Plan, and neither Sunshine nor its Subsidiary has any knowledge of any plan defect that would qualify for correction under any such program.

(d) Sunshine Disclosure Schedule Section 3.11(d) identifies each Sunshine Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the “**Sunshine Qualified Plans**”). The IRS has issued a favorable determination or advisory opinion letter with respect to each Sunshine Qualified Plan and the related trust, which letter has not been revoked (nor has revocation been threatened in writing), and, to the knowledge of Sunshine, there are no existing circumstances and no events have occurred that would reasonably be expected to adversely affect the qualified status of any Sunshine Qualified Plan or the related trust. No trust funding any Sunshine Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the Code.

(e) Neither Sunshine nor any ERISA Affiliate maintains a Sunshine Benefit Plan that is subject to Section 412 of the Code or Title IV of ERISA. No Controlled Group Liability with respect to an employee benefit plan that is not a Sunshine Benefit Plan has been incurred by Sunshine or its ERISA Affiliates that has not been satisfied in full, and, to the knowledge of Sunshine, no condition exists that presents a material risk to Sunshine or its ERISA Affiliates of incurring any such liability. For purposes of this Agreement, “**Controlled Group Liability**” means any and all liabilities (i) under Title IV of ERISA, (ii) under Section 302 of ERISA, (iii) under Sections 412 and 4971 of the Code, and (iv) as a result of a failure to comply with the continuing coverage requirements of Section 601 et. seq. of ERISA and Section 4980B of the Code.

(f) None of Sunshine, its Subsidiary or any of their respective ERISA Affiliates has, at any time during the last six (6) years, contributed to or been obligated to contribute to any plan that is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA (a “**Multiemployer Plan**”) or a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA (a “**Multiple Employer Plan**”), and none of Sunshine, its Subsidiary or any of their respective ERISA Affiliates has incurred any liability to a Multiemployer Plan or Multiple Employer Plan as a result of a complete or partial withdrawal (as those terms are defined in Part I of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan that has not been satisfied in full. For purposes of this Agreement, “**ERISA Affiliate**” means, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same “controlled group” as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

(g) Except as provided in Sunshine Disclosure Schedule Section 3.11(g), neither Sunshine nor its Subsidiary sponsors, has sponsored or has any obligation with respect to any employee benefit plan that provides for any post-employment or post-retirement health or medical or life insurance benefits for retired or former employees or beneficiaries or dependents thereof, except as required by Section 4980B of the Code or similar state law.

(h) All contributions required to be made to any Sunshine Benefit Plan by applicable law or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Sunshine Benefit Plan, for any period in the prior three (3) years through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Sunshine, as applicable, except as, either individually or in the aggregate, would not reasonably be expected to result in any material liability to Sunshine and its Subsidiary.

(i) Except as would not, either individually or in the aggregate reasonably be expected to result in a material liability to Sunshine or its Subsidiary, there are no pending or, to Sunshine’s knowledge, threatened claims (other



## [Table of Contents](#)

than claims for benefits in the ordinary course of business), lawsuits or arbitrations that have been asserted or instituted, and, to Sunshine's knowledge, no set of circumstances exists that may reasonably be expected to give rise to a claim or lawsuit, against Sunshine Benefit Plans, any fiduciaries thereof with respect to their duties to the Sunshine Benefit Plans or the assets of any of the trusts under any of the Sunshine Benefit Plans.

(j) None of Sunshine, its Subsidiary or any of their respective ERISA Affiliates has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA), which could subject any of the Sunshine Benefit Plans or their related trusts, Sunshine, its Subsidiary or any of their respective ERISA Affiliates to any material unpaid tax or material penalty imposed under Section 4975 of the Code or Section 502 of ERISA.

(k) Except as provided in Sunshine Disclosure Schedule Section 3.11(k), the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the vesting, exercisability or delivery of, cause Sunshine or its Subsidiary to transfer or set aside any assets to fund any benefits under any Sunshine Benefit Plan, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or other service provider of Sunshine or its Subsidiary. Without limiting the generality of the foregoing, except as provided in Section 3.11(k) of the Sunshine Disclosure Schedule, no amount paid or payable (whether in cash, in property or in the form of benefits) by Sunshine or its Subsidiary in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code.

(l) Except as provided in Sunshine Disclosure Schedule Section 3.11(l), no Sunshine Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 409A or 4999 of the Code.

(m) There are no pending or, to Sunshine's knowledge, threatened material labor grievances or unfair labor practice claims or charges against Sunshine or its Subsidiary, or any strikes or other material labor disputes against Sunshine or its Subsidiary. Neither Sunshine nor its Subsidiary is party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to employees of Sunshine or its Subsidiary and, to Sunshine's knowledge, there are no organizing efforts by any union or other group seeking to represent any employees of Sunshine or its Subsidiary.

(n) The Sunshine ESOP grants to its participants full voting rights as to all shares of Sunshine Common Stock held by the Sunshine ESOP on behalf of such participants and that have been allocated to their accounts.

### Section 3.12. Compliance with Applicable Law.

(a) Sunshine and its Subsidiary hold, and have at all times since December 31, 2014 held, all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such license, franchise, permit or authorization (nor the failure to pay any fees or assessments) would, either individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on Sunshine, and to the knowledge of Sunshine, no suspension or cancellation of any such necessary license, franchise, permit or authorization is threatened. Sunshine and its Subsidiary have complied in all material respects with and are not in material default or violation under any applicable law, statute, order, rule or regulation of any Governmental Entity applicable to Sunshine or its Subsidiary, including (to the extent applicable to Sunshine or its Subsidiary), but not limited to, all laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund



## [Table of Contents](#)

Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory lending, financing or leasing practices, money-laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans. Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Sunshine, neither Sunshine nor its Subsidiary, or to the knowledge of Sunshine, any director, officer, employee, agent or other person acting on behalf of Sunshine or its Subsidiary has, directly or indirectly, (i) used any funds of Sunshine or its Subsidiary for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Sunshine or its Subsidiary, (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv) established or maintained any unlawful fund of monies or other assets of Sunshine or its Subsidiary, (v) made any fraudulent entry on the books or records of Sunshine or its Subsidiary, or (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for Sunshine or its Subsidiary, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Sunshine or its Subsidiary, or is currently subject to any sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

### Section 3.13. Certain Contracts.

(a) Sunshine Disclosure Schedule Section 3.13(a) lists, as of the date hereof, all contract, arrangement, commitment or understanding (whether written or oral), other than any Sunshine Benefit Plan, entered into by Sunshine or its Subsidiary or by which Sunshine or its Subsidiary may be bound: (i) which is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) (ii) which contains a non-compete or client or customer non-solicit requirement or any other provision that materially restricts the conduct of any line of business by Sunshine or its Subsidiary or upon consummation of the Merger will materially restrict the ability of the Surviving Entity or its Subsidiary to engage in any line of business that is material to Sunshine and its Subsidiary, taken as a whole; (iii) with or to a labor union or guild (including any collective bargaining agreement); or (iv) which includes any bonus, stock options, restricted stock, stock appreciation right or other employee benefit agreement or arrangement; (v) which, upon the consummation of the transactions contemplated by this Agreement (with alone or upon the occurrence of any additional acts or events) will result in any payment (whether change of control, severance pay or otherwise) becoming due from Sunshine, the Surviving Entity or any of their respective Subsidiary to any officer, employee or director; (vi) the benefits of which will be increased or the vesting of benefits of which will be accelerated by the occurrence of any of the transactions contemplated by this Agreement; or (vii) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of Sunshine or its Subsidiary, taken as a whole. Section 3.13(a) of the Sunshine Disclosure Schedule also lists Sunshine contracts: (i) related to the borrowing by Sunshine or its Subsidiary of money other than those entered into in the Ordinary Course of Business and any guaranty of any obligation for the borrowing of money, excluding endorsements made for collection, repurchase or resell agreements, letters of credit and guaranties made in the Ordinary Course of Business; (ii) relating to the lease of personal property having a value in excess of \$50,000 in the aggregate; (iii) relating to any joint venture, partnership, limited liability company agreement or other similar agreement or arrangement; (iv) which relates to capital expenditures and involves future payments in excess of \$100,000 in the aggregate; or (v) which is not terminable on sixty (60) days or less notice and involves the payment of more than \$100,000 per annum. Each contract, arrangement, commitment or understanding of the type described in this Section 3.13(a), whether or not set forth in Sunshine Disclosure Schedule, is referred to herein as a "**Sunshine Contract**," and neither Sunshine nor its Subsidiary knows of, or has received written, or to Sunshine's knowledge, oral notice of, any violation of the above by any of the other parties thereto which would reasonably

[Table of Contents](#)

be likely to have a Material Adverse Effect on Sunshine. Sunshine has made available to CenterState complete and correct copies of all Sunshine Contracts identified on [Sunshine Disclosure Schedule 3.13\(a\)](#).

(b) In each case, except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine: (i) each Sunshine Contract is valid and binding on Sunshine or its Subsidiary, as applicable, and in full force and effect, (ii) Sunshine and its Subsidiary have performed all obligations required to be performed by it prior to the date hereof under each Sunshine Contract, (iii) to Sunshine's knowledge, each third-party counterparty to each Sunshine Contract has performed all obligations required to be performed by it to date under such Sunshine Contract and (iv) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a default on the part of Sunshine or its Subsidiary under any such Sunshine Contract.

(c) [Sunshine Disclosure Schedule 3.13\(c\)](#) sets forth a true and complete list of all Sunshine Contracts pursuant to which consents, waivers or notices are or may be required to be given thereunder, in each case, prior to the performance by Sunshine of this Agreement and the consummation of the Merger, the Bank Merger and the other transactions contemplated by this Agreement.

Section 3.14. [Agreements with Regulatory Agencies](#). Neither Sunshine nor its Subsidiary is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity that currently restricts in any respect the conduct of its business or that in any manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in Sunshine Disclosure Schedule, a "***Sunshine Regulatory Agreement***"), nor has Sunshine or its Subsidiary been advised in writing or, to Sunshine's knowledge, orally, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Sunshine Regulatory Agreement.

Section 3.15. [Risk Management Instruments](#). Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on Sunshine, all interest rate swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative transactions and risk management arrangements, whether entered into for the account of Sunshine, its Subsidiary or for the account of a customer of Sunshine or its Subsidiary (the "***Sunshine Risk Management Instruments***"), were entered into in the ordinary course of business and in accordance with applicable rules, regulations and policies of any Regulatory Agency and with counterparties believed to be financially responsible at the time and are legal, valid and binding obligations of Sunshine or its Subsidiary enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions) and are in full force and effect. Sunshine and its Subsidiary have duly performed in all material respects all of their material obligations under the Sunshine Risk Management Instruments to the extent that such obligations to perform have accrued, and, to Sunshine's knowledge, there are no material breaches, violations or defaults or allegations or assertions of such by any party under Sunshine Risk Management Instruments.

Section 3.16. [Environmental Matters](#). Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on Sunshine, Sunshine and its Subsidiary are in compliance, and at all times since January 1, 2015 have complied, with all applicable federal, state and local laws (including common law), statutes, rules, regulations, orders, decrees, permits, authorizations or legal requirements of any Governmental Entity relating to: (a) the protection or restoration of the environment, health and safety as it relates to hazardous substance exposure or natural resource damages, (b) the handling, storage, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance, or (c) noise, odor, wetlands, indoor air, pollution, contamination or any injury to persons or property from exposure to any hazardous substance (collectively, "***Environmental Laws***"). There are no legal, administrative, arbitral or other

[Table of Contents](#)

proceedings, claims or actions, or, to the knowledge of Sunshine, investigations of any Governmental Entity or other person pending, or, to the knowledge of Sunshine, threatened against Sunshine of any nature seeking to impose, or that could reasonably be expected to result in the imposition, on Sunshine or its Subsidiary of any liability or obligation arising under any Environmental Law, pending or threatened against Sunshine, which liability or obligation would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine. To the knowledge of Sunshine, there is no reasonable basis for any such proceeding, claim, action or investigation. Sunshine is not subject to any agreement, order, judgment, decree, letter agreement or memorandum of agreement by or with any Governmental Entity or third party imposing any liability or obligation with respect to any Environmental Law that would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine.

Section 3.17. Investment Securities and Commodities.

(a) Each of Sunshine and its Subsidiary has good title in all material respects to all securities and commodities owned by it (except those sold under repurchase agreements or held in any fiduciary or agency capacity), free and clear of any Lien, except (i) as set forth in the financial statements included in Sunshine SEC Reports or (ii) to the extent that such securities or commodities are pledged in the ordinary course of business to secure obligations of Sunshine or its Subsidiary. Such securities and commodities are listed in Sunshine Disclosure Schedule 3.17(a) and are valued on the books of Sunshine in accordance with GAAP in all material respects.

(b) Sunshine and its Subsidiary employ, to the extent applicable, investment, securities, risk management and other policies, practices and procedures that Sunshine believes are prudent and reasonable in the context of their respective businesses, and Sunshine and its Subsidiary have, since January 1, 2015, been in compliance with such policies, practices and procedures in all material respects.

Section 3.18. Real Property. Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Sunshine, Sunshine or its Subsidiary (a) has good and marketable title to all real property reflected in the latest audited balance sheet included in the Sunshine SEC Reports as being owned by Sunshine or its Subsidiary or acquired after the date thereof (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business) (the “**Sunshine Owned Properties**”), free and clear of all material Liens, except (i) statutory Liens securing payments not yet due, (ii) Liens for real property Taxes not yet due and payable, (iii) easements, rights of way, and other similar encumbrances that do not materially affect the value or use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties and (iv) such imperfections or irregularities of title or Liens as do not materially affect the value or use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties (collectively, “**Permitted Encumbrances**”), and (b) is the lessee of all leasehold estates reflected in the latest audited financial statements included in such Sunshine SEC Reports or acquired after the date thereof (except for leases that have expired by their terms since the date thereof) (the “**Sunshine Leased Properties**” and, collectively with the Sunshine Owned Properties, the “**Sunshine Real Property**”), free and clear of all Liens of any nature whatsoever, except for Permitted Encumbrances, and is in possession of the properties purported to be leased thereunder, and each such lease is valid without default thereunder by the lessee or, to Sunshine’s knowledge, the lessor. There are no pending or, to the knowledge of Sunshine, threatened condemnation proceedings against Sunshine Real Property. Sunshine Disclosure Schedule 3.18 contains a complete and accurate list of each Sunshine Real Property, including lease commencement and termination dates and any notices required prior to consummation of the transactions contemplated by this Agreement.

Section 3.19. Intellectual Property. Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Sunshine: (i) Sunshine and its Subsidiary owns, or is licensed to use (in each case, free and clear of any material Liens other than any Permitted Encumbrances), all Intellectual Property necessary for the conduct of its business as currently conducted; (ii)(A) the use of any Intellectual

[Table of Contents](#)

Property by Sunshine and its Subsidiary does not infringe, misappropriate or otherwise violate the rights of any person, and (B) no person has asserted to Sunshine in writing that Sunshine or its Subsidiary has infringed, misappropriated or otherwise violated the Intellectual Property rights of such person; (iii) to the knowledge of Sunshine, no person is challenging, infringing on or otherwise violating any right of Sunshine or its Subsidiary with respect to any Intellectual Property owned by Sunshine or its Subsidiary; (iv) neither Sunshine nor its Subsidiary has received any written notice of any pending claim with respect to any Intellectual Property owned by Sunshine or its Subsidiary; (v) to the knowledge of Sunshine, since January 1, 2015, no third party has gained unauthorized access to any information technology networks controlled by and material to the operation of the business of Sunshine and its Subsidiary; and (vi) Sunshine and its Subsidiary have taken commercially reasonable actions to avoid the abandonment, cancellation or unenforceability of all material Intellectual Property owned or licensed, respectively, by Sunshine and its Subsidiary. For purposes of this Agreement, “**Intellectual Property**” means trademarks, service marks, brand names, internet domain names, logos, symbols, certification marks, trade dress and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), all improvements thereto and any renewals, extensions or reissues thereof, in any jurisdiction; trade secrets; and copyrights and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof. A true and complete listing of all Intellectual Property owned by Sunshine or its Subsidiary is contained in [Sunshine Disclosure Schedule 3.19](#).

Section 3.20. [Related Party Transactions](#). There are no transactions or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions, between Sunshine or its Subsidiary, on the one hand, and any current director or “executive officer” (as defined in Rule 3b-7 under the Exchange Act) of Sunshine or its Subsidiary or any person who beneficially owns (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) five percent (5%) or more of the outstanding Sunshine Common Stock (or any of such person’s immediate family members or affiliates) (other than the Subsidiary of Sunshine) on the other hand, of the type required to be reported in any Sunshine SEC Report pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act.

Section 3.21. [Reorganization](#). Sunshine has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code.

Section 3.22. [Antitakeover Provisions](#). No “control share acquisition,” “business combination moratorium,” “fair price” or other form of antitakeover statute or regulation is applicable to this Agreement, the Plan of Merger and the transactions contemplated hereby and thereby.

Section 3.23. [Broker’s Fees](#). Neither Sunshine nor its Subsidiary nor any of their respective officers or directors has employed any broker, finder or financial advisor or incurred any liability for any broker’s fees, commissions or finder’s fees in connection with the Merger or related transactions contemplated by this Agreement, other than Hovde Group, LLC, pursuant to letter agreements, true and complete copies of which have been previously provided to CenterState and which provide for payment of the amounts set forth on the [Sunshine Disclosure Schedule 3.23](#).

Section 3.24. [Opinion](#). Prior to the execution of this Agreement, Sunshine has received an opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date) from Hovde Group, LLC, to the effect that, as of the date thereof, and based upon and subject to the factors, assumptions and limitations set forth therein, the Merger Consideration pursuant to this Agreement is fair, from a financial point of view, to the holders of Sunshine Common Stock. Such opinion has not been amended or rescinded in any material respect as of the date of this Agreement.

## [Table of Contents](#)

Section 3.25. Sunshine Information. The information relating to Sunshine and its Subsidiary that is provided by Sunshine or its representatives specifically for inclusion in (a) the Proxy Statement-Prospectus, on the date it (or any amendment or supplement thereto) is first mailed to holders of Sunshine Common Stock or at the time of the Sunshine Meeting (as defined in Section 6.3), (b) the S-4, when it or any amendment thereto becomes effective under the Securities Act, (c) the documents and financial statements of Sunshine incorporated by reference in the Proxy Statement-Prospectus, the S-4 or any amendment or supplement thereto or (d) any other document filed with any other Regulatory Agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement-Prospectus relating to Sunshine and its Subsidiary will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by Sunshine with respect to statements made or incorporated by reference therein based on information provided or supplied by or on behalf of CenterState or its Subsidiaries for inclusion in the Proxy Statement-Prospectus or the S-4.

### Section 3.26. Loan Portfolio.

(a) As of the date hereof, except as set forth in Sunshine Disclosure Schedule Section 3.26(a), neither Sunshine nor its Subsidiary is a party to any written or oral (i) loan, loan agreement, note or borrowing arrangement (including leases, credit enhancements, commitments, guarantees and interest-bearing assets) (collectively, “**Loans**”) in which Sunshine or any Subsidiary of Sunshine is a creditor which as of June 30, 2017, had an outstanding balance of \$500,000 or more and under the terms of which the obligor was, as of June 30, 2017, over ninety (90) days or more delinquent in payment of principal or interest, or (ii) Loans with any director, executive officer or principal shareholder of Sunshine or its Subsidiary (as such terms are defined in 12 C.F.R. Part 215). Sunshine Disclosure Schedule Section 3.26(a) also sets forth a true, correct and complete list of all of the Loans of Sunshine and its Subsidiary that, as of June 30, 2017 had an outstanding balance of \$500,000 or more and were either classified by Sunshine (A) as of June 30, 2017 as “Other Loans Specially Mentioned,” “Special Mention,” “Substandard,” “Doubtful,” “Classified,” “Criticized,” “Credit Risk Assets,” “Concerned Loans,” “Watch List” or words of similar import, or (B) on or after January 1, 2015 as “Loss,” in all cases together with the principal amount of and accrued and unpaid interest on each such Loan and the aggregate principal amount of and accrued and unpaid interest on such Loans as of June 30, 2017.

(b) Sunshine Disclosure Schedule 3.26(b) identifies each asset of Sunshine or its Subsidiary that as of June 30, 2017, was classified as other real estate owned (“**OREO**”) and the book value thereof as of the date of this Agreement, as well as any assets classified as OREO since June 30, 2017 and any sales of OREO between June 30, 2017 and the date of this Agreement, reflecting any gain or loss with respect to any OREO sold;

(c) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine, each outstanding Loan of Sunshine and its Subsidiary (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent carried on the books and records of Sunshine and its Subsidiary as secured Loans, has been secured by valid Liens, which have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(d) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on Sunshine, each outstanding Loan of Sunshine and its Subsidiary (including Loans held for resale to investors) was solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, the applicable written underwriting standards of Sunshine and its Subsidiary (and, in the case of Loans held for resale to investors, the applicable underwriting standards, if any, of the applicable investors) and with all applicable federal, state and local laws, regulations and rules.

[Table of Contents](#)

(e) None of the agreements pursuant to which Sunshine or its Subsidiary has sold Loans or pools of Loans or participations in Loans or pools of Loans contains any obligation to repurchase such Loans or interests therein solely on account of a payment default by the obligor on any such Loan.

(f) There are no outstanding Loans made by Sunshine or its Subsidiary to any “executive officer” or other “insider” (as each such term is defined in Regulation O promulgated by the Federal Reserve Board) of Sunshine or its Subsidiary, other than Loans that are subject to and that were made and continue to be in compliance with Regulation O or that are exempt therefrom.

(g) Neither Sunshine nor its Subsidiary is now nor has it ever been since December 31, 2014, subject to any material fine, suspension, settlement or other contract or other administrative agreement or sanction by, or any reduction in any loan purchase commitment from, any Governmental Entity or Regulatory Agency relating to the origination, sale or servicing of mortgage or consumer Loans.

(h) As to each Loan that is secured whether in whole or in part, by a guaranty of the United States Small Business Administration or any other Governmental Authority, such guaranty is in full force and effect, and to Sunshine’s knowledge, will remain in full force and effect following the Effective Time, in each case, without any further action by Sunshine or its Subsidiary subject to the fulfillment of their obligations under the agreement with the Small Business Administration that arise after the date hereof.

Section 3.27. Insurance.

(a) Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on Sunshine: (a) Sunshine and its Subsidiary are insured with reputable insurers against such risks and in such amounts as the management of Sunshine reasonably has determined to be prudent and consistent with industry practice, and neither Sunshine nor its Subsidiary has received notice to the effect that any of them are in default under any material insurance policy; (b) each such policy is outstanding and in full force and effect and, except for policies insuring against potential liabilities of officers, directors and employees of Sunshine and its Subsidiary, Sunshine or its Subsidiary thereof is the sole beneficiary of such policies, and (c) all premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed in due and timely fashion. Sunshine Disclosure Schedule 3.27(a) identifies all of the insurance policies currently maintained by Sunshine and its Subsidiary, including the insurer, policy numbers, amount of coverage, effective and termination dates and any pending claims thereunder involving more than \$10,000 (“**Insurance Policies**”).

(b) Sunshine Disclosure Schedule 3.27(b) sets forth a true, correct and complete description of all bank owned life insurance (“**BOLI**”) owned by Sunshine or its Subsidiary, including the value of such BOLI as of the end of the month prior to the date hereof. The value of the BOLI is and has been fairly and accurately reflected in Sunshine’s financial statements in accordance with GAAP. All BOLI is owned solely by Savings Bank and no other person has any ownership claims with respect to such BOLI or proceeds of insurance derived therefrom and there is no split dollar or similar benefit under Sunshine’s BOLI. Neither Sunshine nor its Subsidiary has any outstanding borrowings secured in whole or in part by its BOLI.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF CENTERSTATE

Section 4.01. Making of Representations and Warranties.

Except as disclosed in the disclosure schedule delivered by CenterState to Sunshine concurrently herewith (the “**CenterState Disclosure Schedule**”); CenterState hereby represents and warrants to Sunshine that the

[Table of Contents](#)

statements contained in this [Article IV](#) are correct as of the date of this Agreement and will be correct as of the Closing Date (as though made on and as of the Closing Date), except as to any representation or warranty which specifically speaks as of an earlier date (including without limitation representations made as of “the date hereof”), which only need be correct as of such earlier date. “Knowledge” or “knowledge” as to CenterState and any other phrase of similar import means, with respect to any matter in question relating to CenterState, of those individuals set forth on [CenterState Disclosure Schedule 4.01\(a\)](#). CenterState has made a good faith effort to ensure that the disclosure on each schedule of the CenterState Disclosure Schedule corresponds to the section referenced herein. However, for purposes of the CenterState Disclosure Schedule, any item disclosed on any schedule therein or publicly filed with the SEC is deemed to be fully disclosed with respect to all sections of this Agreement under which such item may be relevant as and to the extent that it is reasonably clear on the face of such schedule that such item applies to such other section of this Agreement.

Section 4.02. [Organization, Standing and Authority](#).

(a) CenterState is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is a bank holding company duly registered under the Bank Holding Company Act of 1956, as amended (“*BHC Act*”) that has elected to be treated as financial holding company under the BHC Act. CenterState has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted. CenterState is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not, either individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on CenterState. True and complete copies of CenterState Articles of Incorporation and Bylaws, as in effect as of the date of this Agreement, have previously been made available by CenterState to Sunshine.

(b) Each Subsidiary of CenterState (a “*CenterState Subsidiary*”) (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business and, where such concept is recognized under applicable law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on CenterState and (iii) has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of any Subsidiary of CenterState to pay dividends or distributions except under applicable state law or, in the case of a Subsidiary that is a regulated entity, for restrictions on dividends or distributions generally applicable to all such regulated entities. The deposit accounts of CenterState Bank are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or, to CenterState’s knowledge, threatened.

Section 4.03. [Capitalization](#).

(a) The authorized capital stock of CenterState consists of (a) 100,000,000 shares of CenterState Common Stock, and 5,000,000 shares of preferred stock. As of the date hereof, 60,030,792 shares of CenterState Common Stock were issued and outstanding and no shares of preferred stock were issued and outstanding. As of the date hereof, no shares of CenterState Common Stock are held in treasury, and 60,027,792 shares of CenterState Common Stock are reserved for issuance upon the exercise of outstanding CenterState Stock Options. All of the issued and outstanding shares of CenterState Common Stock have been duly authorized and validly issued and are fully paid, non-assessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. The shares of CenterState Common Stock to be issued pursuant to this Agreement, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable and will not be subject to preemptive rights. All shares of CenterState’s capital stock issued and outstanding have been issued in compliance with and not in violation of any applicable federal or state securities



[Table of Contents](#)

laws. No bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which shareholders of CenterState may vote are issued or outstanding. Except as set forth in Section 4.03(a) of the CenterState Disclosure Schedule, as of the date of this Agreement, no trust preferred or subordinated debt securities of CenterState are issued or outstanding. Other than equity awards granted under a CenterState stock plan, there are no outstanding subscriptions, options, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or agreements obligating CenterState to issue, transfer, sell, purchase, redeem or otherwise acquire any shares of CenterState Common Stock or any other equity interests of CenterState.

(b) There are no voting trusts, shareholder agreements, proxies or other agreements in effect pursuant to which CenterState or any of its Subsidiaries has a contractual or other obligation with respect to the voting or transfer of the CenterState Common Stock or other equity interests of CenterState.

(c) CenterState owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity ownership interests of CenterState Bank, free and clear of any Liens, and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (except, as provided under 12 U.S.C. § 55 or any comparable provision of applicable state law) and free of preemptive rights, with no personal liability attaching to the ownership thereof. No CenterState Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, rights, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

Section 4.04. Authority; No Violation.

(a) CenterState has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Merger have been duly and validly approved by the Board of Directors of CenterState. The Board of Directors of CenterState has determined that the Merger, on the terms and conditions set forth in this Agreement, is in the best interests of CenterState and its shareholders. Except for the adoption of the Bank Merger Agreement by the board of directors of CenterState Bank and CenterState as its sole shareholder, no other corporate proceedings on the part of CenterState are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by CenterState and (assuming due authorization, execution and delivery by Sunshine) constitutes a valid and binding obligation of CenterState, enforceable against CenterState in accordance with its terms (except in all cases as such enforceability may be limited by the Enforceability Exceptions).

(b) Neither the execution and delivery of this Agreement by CenterState, nor the consummation by CenterState of the transactions contemplated hereby, nor compliance by CenterState with any of the terms or provisions hereof, will (i) violate any provision of the CenterState Articles of Incorporation or Bylaws, or (ii) assuming that the consents, approvals and filings referred to in Section 4.05 are duly obtained and/or made, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to CenterState, any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of CenterState or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which CenterState or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound, except (in the case of clause (ii) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which either individually or in the aggregate would not reasonably be likely to have a Material Adverse Effect on CenterState.



[Table of Contents](#)

Section 4.05. Consents and Approvals. Except for: (a) the filing of applications, filings and notices, as applicable, with the Federal Reserve Board under the BHC Act and the Home Owners' Loan Act and approval of such applications, filings and notices; (b) the filing of applications, filings and notices, as applicable, with the OCC in connection with the Bank Merger, under the Bank Merger Act, and approval of such applications, filings and notices; (c) the filing with the SEC of the Proxy Statement-Prospectus and the S-4 in which the Proxy Statement-Prospectus will be included as a prospectus, and declaration of effectiveness of the S-4; (d) the filing of the Certificates/Articles of Merger with the Florida Secretary of State pursuant to the FBCA and the Maryland State Department of Assessments and Taxation pursuant to the MGCL to the extent required; and (e) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" laws of various states in connection with the issuance of the shares of CenterState Common Stock pursuant to this Agreement and the approval of the listing of such CenterState Common Stock on NASDAQ, no consents or approvals of or filings or registrations with any Governmental Authority are necessary in connection with (A) the execution and delivery by CenterState of this Agreement or (B) the consummation by CenterState of the Merger and the other transactions contemplated hereby (including the consummation by CenterState Bank of the Bank Merger). As of the date hereof, CenterState is not aware of any reason why the necessary Regulatory Approvals and consents will not be received in order to permit consummation of the Merger and Bank Merger on a timely basis.

Section 4.06. Reports.

(a) CenterState and each of its Subsidiaries have timely filed (or furnished, as applicable), all reports, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2015 with any Regulatory Agencies, including any report, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith, except where the failure to file such report, registration or statement or to pay such fees and assessments, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect on CenterState and its Subsidiaries. Except for examinations of CenterState and its Subsidiaries conducted by a Regulatory Agency in the ordinary course of business, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of CenterState, investigation into the business or operations of CenterState or any of its Subsidiaries since January 1, 2015, except where such proceedings or investigation would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState. There is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of CenterState or any of its Subsidiaries, which would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState.

(b) An accurate and complete copy of each final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC by CenterState or any of its Subsidiaries pursuant to the Securities Act or the Exchange Act, as the case may be, since January 1, 2015 (the "**CenterState SEC Reports**") is publicly available. No such CenterState SEC Report, at the time filed, furnished or communicated (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. As of their respective dates, all CenterState SEC Reports filed or furnished under the Securities Act and the Exchange Act complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto. As of the date of this Agreement, no executive officer of CenterState has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act. As of the date of this Agreement, there are no outstanding comments from or material unresolved issues raised by the SEC with respect to any of the CenterState SEC Reports.

[Table of Contents](#)Section 4.07. Financial Statements.

(a) The financial statements of CenterState and its Subsidiaries included (or incorporated by reference) in the CenterState SEC Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of CenterState and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in shareholders' equity and consolidated financial position of CenterState and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. The books and records of CenterState and its Subsidiaries have been, since January 1, 2015, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements. Crowe Horwath LLP has not resigned (or informed CenterState that it intends to resign) or been dismissed as independent public accountants of CenterState as a result of or in connection with any disagreements with CenterState on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState, neither CenterState nor any of its Subsidiaries has any material liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except (i) for those liabilities that are reflected or reserved against on the consolidated balance sheet of CenterState included in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017 (including any notes thereto), (ii) for liabilities incurred in the ordinary course of business consistent with past practice since June 30, 2017, or (iii) in connection with this Agreement and the transactions contemplated hereby.

(c) The records, systems, controls, data and information of CenterState and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of CenterState or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState. CenterState (i) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to CenterState, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of CenterState by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to CenterState's outside auditors and the audit committee of CenterState's Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect CenterState's ability to record, process, summarize and report financial information, and (y) to the knowledge of CenterState, any fraud, whether or not material, that involves management or other employees who have a significant role in CenterState's internal controls over financial reporting. To the knowledge of CenterState, there is no reason to believe that CenterState's outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

(d) Since January 1, 2015, (i) neither CenterState nor any of its Subsidiaries, nor, to the knowledge of CenterState, any director, executive officer, auditor, accountant or representative of CenterState or any of its Subsidiaries, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or, to the knowledge of CenterState, oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs,

## [Table of Contents](#)

charge-offs and accruals) of CenterState or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or written claim that CenterState or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing CenterState or any of its Subsidiaries, whether or not employed by CenterState or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by CenterState or any of its officers, directors, employees or agents to the Board of Directors of CenterState or any committee thereof or to the knowledge of CenterState, to any director or officer of CenterState.

### Section 4.08. Taxes.

(a) Each of CenterState and its Subsidiaries has duly and timely filed (taking into account all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects. Neither CenterState nor any of its Subsidiaries is the beneficiary of any extension of time within which to file any material Tax Return. All material Taxes of CenterState and its Subsidiaries that are due have been fully and timely paid. No deficiency with respect to a material amount of Taxes has been proposed, asserted or assessed, in each case, in writing, against CenterState or any of its Subsidiaries. There are no pending or threatened in writing disputes, claims, audits, examinations or other proceedings regarding any material Taxes of CenterState and its Subsidiaries or the assets of CenterState and its Subsidiaries. There are no Liens for material Taxes (except Taxes not yet due and payable) on any of the assets of CenterState or any of its Subsidiaries. Neither CenterState nor any of its Subsidiaries has been, within the past two (2) years or otherwise as part of a “plan (or series of related transactions)” within the meaning of Section 355(e) of the Code of which the Merger is also a part, a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code.

### Section 4.09. Absence of Certain Changes or Events.

(a) Since December 31, 2016, no event or events have occurred that have had or would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState.

(b) Since December 31, 2016, except with respect to the transactions contemplated hereby or as required or permitted by this Agreement, CenterState and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course.

### Section 4.10. Legal Proceedings.

(a) Neither CenterState nor any of its Subsidiaries is a party to any, and there are no pending or, to CenterState’s knowledge, threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against CenterState or any of its Subsidiaries or, to CenterState’s knowledge, any of their current or former directors or executive officers (i) that would reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState or any CenterState Subsidiary, or (ii) reasonably likely to prevent, materially impede or materially delay its ability to perform its covenants or agreements under this Agreement or to consummate the transactions contemplated hereby.

(b) There is no material injunction, order, judgment, decree, or regulatory restriction imposed upon CenterState, any of its Subsidiaries or the assets of CenterState or any of its Subsidiaries (or that, upon consummation of the Merger, would apply to the Surviving Entity or any of its affiliates).

Section 4.11. Compliance with Applicable Law. CenterState and each of its Subsidiaries hold, and have at all times since December 31, 2014 held, all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under

## [Table of Contents](#)

and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such license, franchise, permit or authorization (nor the failure to pay any fees or assessments) would, either individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on CenterState, and to the knowledge of CenterState, no suspension or cancellation or any such necessary license, franchise, permit or authorization is threatened. CenterState and each of its Subsidiaries have complied in all material respects with and are not in material default or violation under any applicable law, statute, order, rule or regulation of any Governmental Entity applicable to CenterState or any of its Subsidiaries, including (to the extent applicable to CenterState or its Subsidiaries), but not limited to, all laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans. Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on CenterState, none of CenterState or its Subsidiaries, or to the knowledge of CenterState, any director, executive officer, employee, agent or other person acting on behalf of CenterState or any of its Subsidiaries has, directly or indirectly, (i) used any funds of CenterState or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of CenterState or any of its Subsidiaries, (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv) established or maintained any unlawful fund of monies or other assets of CenterState or any of its Subsidiaries, (v) made any fraudulent entry on the books or records of CenterState or any of its Subsidiaries, or (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for CenterState or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for CenterState or any of its Subsidiaries, or is currently subject to any sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

Section 4.12. Agreements with Regulatory Agencies. Neither CenterState nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Agency or other Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the CenterState Disclosure Schedule, a “*CenterState Regulatory Agreement*”), nor has CenterState or any of its Subsidiaries been advised in writing or, to CenterState’s knowledge, orally, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering or requesting any such CenterState Regulatory Agreement.

Section 4.13. Reorganization. CenterState has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code.

## [Table of Contents](#)

Section 4.14. Broker's Fees. Neither CenterState nor any CenterState Subsidiary nor any of their respective officers or directors has employed any broker, finder or financial advisor or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Merger or related transactions contemplated by this Agreement, except that CenterState has engaged and will pay a fee or commission to Keefe, Bruyette & Woods, Inc.

Section 4.15. CenterState Information. The information relating to CenterState and its Subsidiaries that is provided by CenterState or its representatives specifically for inclusion in (a) the Proxy Statement-Prospectus, on the date it (or any amendment or supplement thereto) is first mailed to holders of Sunshine Common Stock or at the time of the Sunshine Meeting, (b) the S-4, when it or any amendment thereto becomes effective under the Securities Act, (c) the documents and financial statements of CenterState incorporated by reference in the Proxy Statement-Prospectus, the S-4 or any amendment or supplement thereto or (d) any other document filed with any other Regulatory Agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement-Prospectus relating to CenterState and its Subsidiaries will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by CenterState with respect to statements made or incorporated by reference therein based on information provided or supplied by or on behalf of Sunshine or its Subsidiaries for inclusion in the Proxy Statement-Prospectus or the S-4.

Section 4.16. Financing. CenterState has, or will have available to it prior to the Closing Date, all funds necessary to satisfy its obligations hereunder.

Section 4.17. Contracts. Each contract, arrangement, commitment or understanding (whether written or oral) which is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) to which CenterState or any of its Subsidiaries is a party or by which CenterState or any of its Subsidiaries is bound as of the date hereof has been filed as an exhibit to the most recent Annual Report on Form 10-K filed by CenterState, or a Quarterly Report on Form 10-Q or Current Report on Form 8-K subsequent thereto (each, a "**CenterState Contract**"). Each CenterState Contract is valid and binding on CenterState or its Subsidiaries and is in full force and effect.

Section 4.18. Environmental Matters. Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on CenterState, CenterState and its Subsidiaries are in compliance, and at all times since January 1, 2015 have complied, with all applicable federal, state and local laws (including common law), statutes, rules, regulations, orders, decrees, permits, authorizations or legal requirements of any Governmental Entity relating to Environmental Laws.

Section 4.19. Loan Portfolio. Except as would not reasonably be likely to have, either individually or in the aggregate, a Material Adverse Effect on CenterState, each outstanding Loan of CenterState and its Subsidiaries (including Loans held for resale to investors) was originated, and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, the applicable written underwriting standards of CenterState and its Subsidiaries (and, in the case of Loans held for resale to investors, the applicable underwriting standards, if any, of the applicable investors) and with all applicable federal, state and local laws, regulations and rules.

Section 4.20. Insurance. Except as would not reasonably be likely, either individually or in the aggregate, to have a Material Adverse Effect on CenterState: CenterState and its Subsidiaries are insured with reputable insurers against such risks and in such amounts as the management of CenterState reasonably has determined to be prudent and consistent with industry practice, and neither CenterState nor any of its Subsidiaries has received notice to the effect that any of them are in default under any material insurance policy.

Section 4.21. Opinion. Prior to the execution of this Agreement, CenterState has received an opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date)

[Table of Contents](#)

from Keefe, Bruyette & Woods, Inc. to the effect that, as of the date thereof, and based upon and subject to the factors, assumptions and limitations set forth therein, the Merger Consideration to be issued and paid by CenterState in the Merger is fair, from a financial point of view, to CenterState. Such opinion has not been amended or rescinded in any material respect as of the date of this Agreement.

## ARTICLE V

### COVENANTS

Section 5.01. Covenants of Sunshine. Sunshine will use commercially reasonable efforts to (i) carry on its business, including the business of its Subsidiary, only in the Ordinary Course of Business and consistent with prudent banking practice and in compliance in all material respects with all applicable Laws (ii) preserve its business organizations and assets intact, (iii) keep available to itself and CenterState the present services of the current officers and employees of Sunshine and its Subsidiary, (iv) preserve for itself and CenterState the goodwill of its customers, key employees, lessors and others with whom business relationships exist. During the period from the date of this Agreement and continuing until the Effective Time, except (i) as expressly contemplated or permitted by this Agreement (including as set forth in Section 5.01 of Sunshine's Disclosure Schedule), (ii) with the prior written consent of CenterState, which consent shall not be unreasonably withheld, conditioned or delayed (*provided; however*, with respect to Section 5.01(q)(i), Section 5.01(r) and Section 5.01(s), if CenterState shall not have disapproved of Sunshine's request in writing within two (2) Business Days of receipt of such written request from Sunshine, then such request shall be deemed to be approved by CenterState) or (iii) required by law, Sunshine shall not and shall not permit its Subsidiary to:

(a) Stock. (i) issue, sell, grant, pledge, dispose of, encumber, or otherwise permit to become outstanding, or authorize the creation of, any additional shares of its stock (except for issuances of Sunshine Common Stock upon the exercise of Sunshine Stock Options outstanding on the date hereof and included in Sunshine Disclosure Schedule 3.03(c)), any Rights, any new award or grant under the Sunshine Stock Plans or otherwise, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company), or enter into any agreement with respect to the foregoing, (ii) except as set forth in Sunshine Disclosure Schedule 5.01(a), accelerate the vesting of any existing Rights, or (iii) except as set forth in Sunshine Disclosure Schedule 5.01(a), directly or indirectly change (or establish a record date for changing), adjust, split, combine, redeem, reclassify, exchange, repurchase or otherwise acquire any shares of its capital stock, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company) convertible into or exchangeable for any additional shares of stock, any Rights issued and outstanding prior to the Effective Time (other than the acquisition of shares of Sunshine Common Stock from a holder of Sunshine Stock Options in satisfaction of withholding obligations or in payment of the exercise price, as may be permitted pursuant to Sunshine Stock Plans or the applicable award agreements).

(b) Dividends; Other Distributions. Make, declare, pay or set aside for payment of dividends payable in cash, stock or property on or in respect of, or declare or make any distribution on, any shares of its capital stock, except for (i) dividends from its Subsidiary to Sunshine, consistent with past practice, and (ii) distributions payable to service Sunshine's outstanding subordinated notes.

(c) Compensation; Employment Agreements, Etc. Enter into or amend or renew any employment, consulting, compensatory, severance, retention or similar agreements or arrangements with any director, officer or employee of Sunshine or its Subsidiary, or grant any salary, wage or fee increase or increase any employee benefit or pay any incentive or bonus payments, except (i) normal increases in base salary to employees in the Ordinary Course of Business and pursuant to policies currently in effect, *provided that*, such increases shall not result in an annual adjustment in base compensation (which includes base salary and any other compensation other than bonus payments) of more than 5% for any individual or 3% in the aggregate for all employees of Sunshine or its Subsidiary other than as disclosed in Sunshine Disclosure Schedule 5.01(c), (ii) as may be

## Table of Contents

required by Law, (iii) to satisfy contractual obligations existing or contemplated as of the date hereof, as previously disclosed to CenterState and set forth in Sunshine Disclosure Schedule 5.01(c), (iv) incentive or bonus payments either in accordance with past practice or in accordance with the terms of the Savings Bank Executive Incentive Plan and set forth in Sunshine Disclosure Schedule 5.01(c) or (v) severance in accordance with past practice and set forth in Sunshine Disclosure Schedule 5.01(c).

(d) Hiring. Hire any person as an employee of Sunshine or its Subsidiary, except for at-will employees at an annual rate of salary not to exceed \$75,000 to fill vacancies that may arise from time to time in the Ordinary Course of Business.

(e) Benefit Plans. Enter into, establish, adopt, amend, modify or terminate (except (i) as may be required by or to make consistent with applicable Law, subject to the provision of prior written notice to and consultation with respect thereto with CenterState, (ii) to satisfy contractual obligations existing as of the date hereof and set forth in Sunshine Disclosure Schedule 5.01(e), (iii) as previously disclosed to CenterState and set forth in Sunshine Disclosure Schedule 5.01(e), or (iv) as may be required pursuant to the terms of this Agreement) any Sunshine Benefit Plan or other pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer or employee of Sunshine or its Subsidiary.

(f) Transactions with Affiliates. Except pursuant to agreements or arrangements in effect on the date hereof and set forth in Sunshine Disclosure Schedule 5.01(f), pay, loan or advance any amount to, or sell, transfer or lease any properties or assets (real, personal or mixed, tangible or intangible) to, or enter into any agreement or arrangement with, any of its officers or directors or any of their immediate family members or any Affiliates or Associates of any of its officers or directors other than (i) loans in accordance with Regulation O of the Federal Reserve Board (12 CFR Part 215) and consistent with past practice and in the Ordinary Course of Business and (ii) compensation or business expense advancements or reimbursements in the Ordinary Course of Business.

(g) Dispositions. Except as set forth on Sunshine Disclosure Schedule 5.01(g) or in the Ordinary Course of Business (including the sale, transfer or disposal of other real estate owned), sell, license, lease, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue any of its rights, assets, deposits, business or properties or cancel or release any indebtedness owed to Sunshine or its Subsidiary.

(h) Acquisitions. Acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the Ordinary Course of Business) all or any portion of the assets, debt, business, deposits or properties of any other entity or Person, except for purchases specifically approved by CenterState pursuant to any other applicable paragraph of this Section 5.01.

(i) Capital Expenditures. Make any capital expenditures in amounts exceeding \$100,000 individually, or \$250,000 in the aggregate.

(j) Governing Documents. Amend Sunshine's articles of incorporation or bylaws or any equivalent documents of Sunshine's Subsidiary.

(k) Accounting Methods. Implement or adopt any change in its accounting principles, practices or methods, other than as may be required by applicable Laws, GAAP or at the direction of a Governmental Authority.

(l) Contracts. Except as set forth in Sunshine Disclosure Schedule 5.01(l), enter into, amend, modify, terminate, extend, or waive any material provision of, any Sunshine Material Contract, Lease or Insurance Policy, or make any material change in any instrument or agreement governing the terms of any of its securities, or material lease, license or contract, other than normal renewals of contracts, licenses and leases without



## [Table of Contents](#)

material adverse changes of terms with respect to Sunshine or its Subsidiary, or enter into any contract that would constitute a Sunshine Material Contract if it were in effect on the date of this Agreement, except for any amendments, modifications or terminations requested by CenterState.

(m) Claims. Other than settlement of foreclosure actions in the Ordinary Course of Business, (i) enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which Sunshine or its Subsidiary is or becomes a party after the date of this Agreement, which settlement or agreement involves payment by Sunshine or its Subsidiary of an amount which exceeds \$50,000 individually or \$100,000 in the aggregate and/or would impose any material restriction on the business of Sunshine or its Subsidiary or (ii) waive or release any material rights or claims, or agree or consent to the issuance of any injunction, decree, order or judgment restricting or otherwise affecting its business or operations.

(n) Banking Operations. (i) Enter into any material new line of business, introduce any material new products or services, or introduce any material marketing campaigns or any material new sales compensation or incentive programs or arrangements; (ii) change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating policies, except as required by applicable Law, regulation or policies imposed by any Governmental Authority; (iii) make any material changes in its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service Loans, its hedging practices and policies, except as required by applicable Law, regulation or policies imposed by any Governmental Authority; and (iv) incur any material liability or obligation relating to retail banking and branch merchandising, marketing and advertising activities and initiatives except in the Ordinary Course of Business.

(o) Derivative Transactions. Enter into any Derivative Transaction.

(p) Indebtedness. Incur any indebtedness for borrowed money other than in the Ordinary Course of Business consistent with past practice with a term not in excess of twelve (12) months (other than creation of deposit liabilities or sales of certificates of deposit in the Ordinary Course of Business), or incur, assume or become subject to, whether directly or by way of any guarantee or otherwise, any obligations or liabilities (whether absolute, accrued, contingent or otherwise) of any other Person, other than the issuance of letters of credit in the Ordinary Course of Business and in accordance with the restrictions set forth in Section 5.01(s).

(q) Investment Securities. (i) Acquire (other than (x) by way of foreclosures or acquisitions in a bona fide fiduciary capacity or (y) in satisfaction of debts previously contracted in good faith), sell or otherwise dispose of any debt security or equity investment or any certificates of deposits issued by other banks, other than securities (A) rated "AA" or higher by either Standard and Poor's Ratings Services of Moody's Investor Service, (B) with a weighted average life of not more than five (5) years and (C) otherwise in the Ordinary Course of Business, nor (ii) change the classification method for any of the Sunshine Investment Securities from "held to maturity" to "available for sale" or from "available for sale" to "held to maturity," as those terms are used in ASC 320.

(r) Deposits. Make any changes to deposit pricing other than such changes that may be made in the Ordinary Course of Business, consistent with past practice.

(s) Loans. Except for loans or extensions of credit approved and/or committed as of the date hereof that are listed in Sunshine Disclosure Schedule 5.01(s), (i) make, renew, renegotiate, increase, extend or modify any (A) unsecured loan, if the amount of such unsecured loan, together with any other outstanding unsecured loans made by Sunshine or its Subsidiary to such borrower or its Affiliates would be in excess of \$150,000, in the aggregate, (B) loan secured by other than a first lien in excess of \$500,000, (C) secured loan over \$1,500,000, (D) loan that is not made in conformity with Sunshine's ordinary course lending policies and guidelines in effect as of the date hereof, or (E) loan, whether secured or unsecured, if the amount of such loan, together with any other outstanding loans (without regard to whether such other loans have been advanced or remain to be advanced), would result in the aggregate outstanding loans to any borrower of Sunshine or its Subsidiary



## Table of Contents

(without regard to whether such other loans have been advanced or remain to be advanced) to exceed \$5,000,000, (ii) sell any loan or loan pools in excess of \$1,000,000 in principal amount or sale price (other than residential mortgage loan pools sold in the Ordinary Course of Business), or (iii) acquire any servicing rights, or sell or otherwise transfer any loan where Sunshine or its Subsidiary retains any servicing rights. Any loan in excess of the limits set forth in this Section 5.01(s) shall require the prior written approval of the President or Chief Credit Officer or Credit Administrator of CenterState Bank. Notwithstanding the foregoing, Sunshine may, without obtaining the prior written approval of CenterState Bank (i) effect any modification to a loan or extension of credit that is not rated “substandard” or lower; (ii) extend the loan maturity or renew loans rated “watch” for no more than one year, where no additional credit is extended, or grant payment deferrals up to six months and renew loans rated “watch” or better where no additional credit is extended; and (iii) renew for up to two years any unsecured loan of less than \$300,000 where no additional credit is extended. Sunshine shall not effect any collateral release for any loan rated “watch” or lower without the prior approval of CenterState Bank.

(t) Investments or Developments in Real Estate. Make any investment or commitment to invest in real estate or in any real estate development project other than by way of foreclosure or deed in lieu thereof or make any investment or commitment to develop, or otherwise take any actions to develop any real estate owned by Sunshine or its Subsidiary.

(u) Taxes. Except as required by applicable Law or any Governmental Authority, make, in any manner different from Sunshine’s prior custom and practice, or change any material Tax election, file any material amended Tax Return, enter into any material closing agreement, settle or compromise any material liability with respect to Taxes, agree to any material adjustment of any Tax attribute, file any claim for a material refund of Taxes, or consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment, *provided that*, for purposes of this Section 5.01(u), “material” shall mean affecting or relating to \$10,000 or more in Taxes or \$25,000 or more of taxable income.

(v) Compliance with Agreements. Commit any act or omission which constitutes a material breach or default by Sunshine or its Subsidiary under any agreement with any Governmental Authority or under any Sunshine Material Contract, Lease or other material agreement or material license to which Sunshine or its Subsidiary is a party or by which any of them or their respective properties are bound or under which any of them or their respective assets, business, or operations receives benefits.

(w) Environmental Assessments. Foreclose on or take a deed or title to any real estate other than single-family residential properties without first conducting an ASTM International (“*ASTM*”) E1527-13 Phase I Environmental Site Assessment (or any applicable successor standard) of the property that satisfies the requirements of 40 C.F.R. Part 312 (“*Phase I*”), or foreclose on or take a deed or title to any real estate other than single-family residential properties if such environmental assessment indicates the presence or likely presence of any Hazardous Substances under conditions that indicate an existing release, a past release, or a material threat of a release of any Hazardous Substances into structures on the property or into the ground, ground water, or surface water of the property.

(x) Adverse Actions. Take any action or knowingly fail to take any action not contemplated by this Agreement that is intended or is reasonably likely to (i) prevent, delay or impair Sunshine’s ability to consummate the Merger or the transactions contemplated by this Agreement, or (ii) prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(y) Additional Actions. Agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.01

(z) Facilities. Except required by Law, file any application or make any contract or commitment for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production or servicing facility or automated banking facility, except for any change that may be requested by CenterState.

## [Table of Contents](#)

(aa) Restructure. Merge or consolidate itself or its Subsidiary with any other Person, or restructure, reorganize or completely or partially liquidate or dissolve it or its Subsidiary.

(bb) Commitments. (i) Enter into any contract with respect to, or otherwise agree or commit to do, or adopt any resolutions of its board of directors or similar governing body in support of, any of the foregoing or (ii) take any action that is intended or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger not being satisfied or in a violation of any provision of this Agreement, except, in every case, as may be required by applicable Law.

### Section 5.02. Covenants of CenterState.

(a) Affirmative Covenants. From the date hereof until the Effective Time, CenterState will use commercially reasonable efforts to carry on its business consistent with prudent banking practices and in compliance in all material respects with all applicable Laws.

(b) Negative Covenants. From the date hereof until the Effective Time, CenterState shall not take any action or knowingly fail to take any action not contemplated by this Agreement that is intended or is reasonably likely to (i) prevent, delay or impair in any material respect CenterState's ability to consummate the Merger or the transactions contemplated by this Agreement, or (ii) prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code, (iii) take any action that is intended or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger not being satisfied or in a violation of any provision of this Agreement, except, in every case, as may be required by applicable Law, or (iv) agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.02.

Section 5.03. Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each of the Parties agrees to use commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws, so as to permit consummation of the transactions contemplated hereby as promptly as practicable, including the satisfaction of the conditions set forth in Article VI, and shall cooperate fully with the other Party to that end.

Section 5.04. Shareholder Approval. Following the date that the Registration Statement is declared effective by the SEC, Sunshine shall take, in accordance with applicable Law and the articles of incorporation and bylaws of Sunshine, all action necessary to convene a special meeting of its shareholders as promptly as practicable to consider and vote upon the approval of this Agreement and the transactions contemplated hereby (including the Merger) and any other matters required to be approved by Sunshine's shareholders in order to permit consummation of the Merger and the transactions contemplated hereby (including any adjournment or postponement thereof, the "*Sunshine Meeting*") and shall take all lawful action to solicit such approval by such shareholders. Sunshine shall use its commercially reasonable efforts to obtain the Requisite Sunshine Shareholder Approval to consummate the Merger and the other transactions contemplated hereby, and shall ensure that the Sunshine Meeting is called, noticed, convened, held and conducted, and that all proxies solicited by Sunshine in connection with the Sunshine Meeting are solicited in compliance with the MGCL, the articles of incorporation and bylaws of Sunshine, and all other applicable legal requirements. Except with the prior approval of CenterState, other than the items noted above, no other matters shall be submitted for the approval of Sunshine shareholders at the Sunshine Meeting.

Except to the extent provided otherwise in Section 5.09, the board of directors of Sunshine shall at all times prior to and during the Sunshine Meeting recommend approval of this Agreement by the shareholders of Sunshine and the transactions contemplated hereby (including the Merger) and any other matters required to be approved by Sunshine's shareholders for consummation of the Merger and the transactions contemplated hereby

[Table of Contents](#)

(the “*Sunshine Recommendation*”) and shall not withhold, withdraw, amend, modify, change or qualify such recommendation in a manner adverse in any respect to the interests of CenterState or take any other action or make any other public statement inconsistent with such recommendation and the Proxy Statement-Prospectus shall include the Sunshine Recommendation. In the event that there is present at such meeting, in person or by proxy, sufficient favorable voting power to secure the Requisite Sunshine Shareholder Approval, Sunshine will not adjourn or postpone the Sunshine Meeting unless Sunshine is advised by counsel that failure to do so would result in a breach of the fiduciary duties of the board of directors of Sunshine. Sunshine shall keep CenterState updated with respect to the proxy solicitation results in connection with the Sunshine Meeting as reasonably requested by CenterState.

Section 5.05. Registration Statement; Proxy Statement-Prospectus; NASDAQ Listing.

(a) CenterState and Sunshine agree to cooperate in the preparation of the Registration Statement (including the Proxy Statement-Prospectus and all related documents) to be filed by CenterState with the SEC in connection with the issuance of CenterState Common Stock in the transactions contemplated by this Agreement. Sunshine shall use its commercially reasonable efforts to deliver to CenterState such financial statements and related analysis of Sunshine, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of Sunshine, as may be required in order to file the Registration Statement, and any other report required to be filed by CenterState with the SEC, in each case, in compliance with applicable Laws, and shall, as promptly as practicable following execution of this Agreement, prepare and deliver drafts of such information to CenterState to review. Sunshine agrees to cooperate with CenterState and CenterState’s counsel and accountants in requesting and obtaining appropriate opinions, consents and letters from Sunshine’s independent auditors in connection with the Registration Statement and the Proxy Statement-Prospectus. CenterState shall, as soon as is practicable, but no later than sixty (60) days after the date hereof, file the Registration Statement with the SEC. Each of CenterState and Sunshine agree to use their respective commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC as promptly as reasonably practicable after the filing thereof. CenterState also agrees to use commercially reasonable efforts to obtain any necessary state securities Law or “blue sky” permits and approvals required to carry out the transactions contemplated by this Agreement. After the Registration Statement is declared effective under the Securities Act, Sunshine, at its own expense, shall promptly mail or cause to be mailed the Proxy Statement-Prospectus to its shareholders.

(b) CenterState will advise Sunshine, promptly after CenterState receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of CenterState Common Stock for offering or sale in any jurisdiction, of the initiation or threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Registration Statement or upon the receipt of any comments (whether written or oral) from the SEC or its staff. CenterState will provide Sunshine and its counsel with a reasonable opportunity to review and comment on the Registration Statement and the Proxy Statement-Prospectus, and all responses to requests for additional information by and replies to comments of the SEC prior to filing such with, or sending such to, the SEC, and CenterState will provide Sunshine and its counsel with a copy of all such filings made with the SEC. If at any time prior to the Sunshine Meeting there shall occur any event that should be disclosed in an amendment or supplement to the Proxy Statement-Prospectus or the Registration Statement, CenterState shall use its commercially reasonable efforts to promptly prepare and file such amendment or supplement with the SEC (if required under applicable Law) and cooperate with Sunshine to mail such amendment or supplement to Sunshine shareholders (if required under applicable Law).

(c) CenterState shall cause the shares of CenterState Common Stock to be issued in connection with the transactions contemplated by this Agreement to be approved for listing on NASDAQ, subject to official notice of issuance, prior to the Effective Time.

[Table of Contents](#)Section 5.06. Regulatory Filings; Consents.

(a) Each of CenterState and Sunshine and their respective Subsidiaries shall cooperate and use their respective commercially reasonable efforts (i) to prepare all documentation to effect all filings, to obtain all permits, consents, approvals and authorizations of all third parties and Governmental Authorities necessary to consummate the transactions contemplated by this Agreement, the Regulatory Approvals and all other consents and approvals of a Governmental Authority required to consummate the Merger in the manner contemplated herein, (ii) to comply with the terms and conditions of such permits, consents, approvals and authorizations and (iii) to cause the transactions contemplated by this Agreement to be consummated as expeditiously as practicable; *provided, however*, that in no event shall CenterState be required to agree to any prohibition, limitation, or other requirement which would (i) prohibit or materially limit the ownership or operation by Sunshine or its Subsidiary, or by CenterState or any of its Subsidiaries, of all or any material portion of the business or assets of Sunshine or any of its Subsidiaries or CenterState or its Subsidiaries, or (ii) compel CenterState or any of its Subsidiaries to dispose of all or any material portion of the business or assets of Sunshine or its Subsidiary or of CenterState or any of its Subsidiaries or continue any portion of any Sunshine Regulatory Agreement against CenterState after the Merger (together, the “**Burdensome Conditions**”). CenterState and Sunshine will furnish each other and each other’s counsel with all information concerning themselves, their Subsidiaries, directors, officers and shareholders and such other matters as may be necessary or advisable in connection with any application, petition or any other statement or application made by or on behalf of CenterState or Sunshine to any Governmental Authority in connection with the transactions contemplated by this Agreement. Each party hereto shall have the right to review and approve in advance all characterizations of the information relating to such party and any of its Subsidiaries that appear in any filing made in connection with the transactions contemplated by this Agreement with any Governmental Authority, other than material filed in connection therewith under a claim of confidentiality. CenterState shall, as soon as is practicable, but no later than thirty (30) days after the date hereof, make all filings with Governmental Authorities. In addition, CenterState and Sunshine shall each furnish to the other for review a copy of each such filing made in connection with the transactions contemplated by this Agreement with any Governmental Authority prior to its filing.

(b) Sunshine will use its commercially reasonable efforts, and CenterState shall reasonably cooperate with Sunshine at Sunshine’s request, to obtain all consents, approvals, authorizations, waivers or similar affirmations described on Sunshine Disclosure Schedule 3.13(c). Each Party will notify the other Party promptly and shall promptly furnish the other Party with copies of notices or other communications received by such Party or any of its Subsidiaries of any communication from any Person alleging that the consent of such Person (or another Person) is or may be required in connection with the transactions contemplated by this Agreement (and the response thereto from such Party, its Subsidiaries or its representatives). Sunshine will consult with CenterState and its representatives as often as practicable under the circumstances so as to permit Sunshine and CenterState and their respective representatives to cooperate to take appropriate measures to obtain such consents and avoid or mitigate any adverse consequences that may result from the foregoing.

Section 5.07. Publicity. CenterState and Sunshine shall consult with each other before issuing any press release with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the prior consent of the other Party, which shall not be unreasonably delayed, conditioned or withheld; *provided, however*, that a party may, without the prior consent of the other party (but after such consultation, to the extent practicable in the circumstances), issue such press release or make such public statements as may upon the advice of counsel be required by Law or the rules and regulations of any stock exchanges. It is understood that CenterState shall assume primary responsibility for the preparation of joint press releases relating to this Agreement, the Merger and the other transactions contemplated hereby.

Section 5.08. Access; Current Information.

(a) Subject to Section 5.21 hereof, upon reasonable notice and subject to applicable Laws relating to the exchange of information, Sunshine agrees to afford CenterState and its officers, employees, counsel, accountants

[Table of Contents](#)

and other authorized representatives such access during normal business hours at any time and from time to time throughout the period prior to the Effective Time to Sunshine's and its Subsidiary's books, records (including, without limitation, Tax Returns and work papers of independent auditors), information technology systems, business, properties and personnel and to such other information relating to them as CenterState may reasonably request and Sunshine shall use its commercially reasonable efforts to provide any appropriate notices to employees and/or customers in accordance with applicable Law and Sunshine's privacy policy and, during such period, Sunshine shall furnish to CenterState, upon CenterState's reasonable request, all such other information concerning the business, properties and personnel of Sunshine and its Subsidiary that is substantially similar in scope to the information provided to CenterState in connection with its diligence review prior to the date of this Agreement.

(b) As soon as reasonably practicable after they become available, Sunshine will furnish to CenterState copies of the board packages distributed to the board of directors of Sunshine or its Subsidiary, and minutes from the meetings thereof and all committees thereof, copies of any internal management financial control reports showing actual financial performance against plan and previous period, and copies of any reports provided to the board of directors of Sunshine or any committee thereof relating to the financial performance, operations, or risk management of Sunshine.

(c) During the period from the date of this Agreement to the Effective Time, each of Sunshine and CenterState will cause one or more of its designated representatives to confer on a regular basis with representatives of the other Party and to report the general status of the ongoing operations of Sunshine and its Subsidiary and CenterState and its Subsidiaries, respectively. Without limiting the foregoing, Sunshine agrees to provide to CenterState (i) a copy of each report filed by Sunshine or its Subsidiary with a Governmental Authority within three (3) Business Days following the filing thereof unless it is a confidential communication with a Governmental Authority and Sunshine is prohibited by Law from sharing such report, (ii) a copy of Sunshine's monthly loan trial balance within one (1) Business Day of the end of the month, and (iii) a copy of Sunshine's monthly statement of condition and profit and loss statement within five (5) Business Days of the end of the month and, if requested by CenterState, a copy of Sunshine's daily statement of condition and daily profit and loss statement, which shall be provided within two (2) Business Days of such request.

(d) Upon reasonable advance notice, Sunshine shall permit, and shall cause its Subsidiary to permit, CenterState or an environmental consulting firm selected by CenterState, and at the sole expense of CenterState, to conduct such phase I or phase II environmental audits, studies and tests on real property currently owned, leased (to the extent permitted under the lease) or operated by Sunshine or its Subsidiary. CenterState shall indemnify Sunshine and its Subsidiary for all costs and expenses associated with returning the property of Sunshine and its Subsidiary, as applicable, to its previous condition.

(e) No investigation by CenterState or its representatives shall be deemed to modify or waive any representation, warranty, covenant or agreement of Sunshine set forth in this Agreement, or the conditions to the respective obligations of CenterState and Sunshine to consummate the transactions contemplated hereby.

(f) Sunshine shall not be required to give CenterState any documents (including under Sections 5.08(a) and (b) herein) that disclose confidential discussions of this Agreement or the transactions contemplated hereby or any other matter that Sunshine's board of directors has been advised by counsel that such distribution to CenterState may violate a confidentiality obligation or fiduciary duty or any Law or regulation, or may result in a waiver of Sunshine's attorney-client privilege. In the event any of the restrictions in this Section 5.08(f) shall apply, Sunshine shall use its commercially reasonable efforts to provide appropriate consents, waivers, decrees and approvals necessary to satisfy any confidentiality issues relating to documents prepared or held by third parties (including work papers), and the Parties will make appropriate alternate disclosure arrangements, including adopting additional specific procedures to protect the confidentiality of sensitive material and to ensure compliance with applicable Laws.

[Table of Contents](#)Section 5.09. No Solicitation by Sunshine; Superior Proposals.

(a) Sunshine shall not, and shall cause its Subsidiary and each of their respective officers, directors and employees not to, and will not authorize any investment bankers, financial advisors, attorneys, accountants, consultants, affiliates or other agents of Sunshine or Sunshine's Subsidiary (collectively, the "**Sunshine Representatives**") to, directly or indirectly, (i) initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an Acquisition Proposal; (ii) participate in any discussions or negotiations regarding any Acquisition Proposal or furnish, or otherwise afford access, to any Person (other than CenterState) any information or data with respect to Sunshine or its Subsidiary or otherwise relating to an Acquisition Proposal; (iii) release any Person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which Sunshine is a party; or (iv) enter into any agreement, agreement in principle or letter of intent with respect to any Acquisition Proposal or approve or resolve to approve any Acquisition Proposal or any agreement, agreement in principle or letter of intent relating to an Acquisition Proposal. Any violation of the foregoing restrictions by any of the Sunshine Representatives, whether or not such Sunshine Representative is so authorized and whether or not such Sunshine Representative is purporting to act on behalf of Sunshine or otherwise, shall be deemed to be a breach of this Agreement by Sunshine. Sunshine and its Subsidiaries shall, and shall cause each of the Sunshine Representatives to, immediately cease and cause to be terminated any and all existing discussions, negotiations, and communications with any Persons with respect to any existing or potential Acquisition Proposal.

For purposes of this Agreement, "**Acquisition Proposal**" means any inquiry, offer or proposal (other than an inquiry, offer or proposal from CenterState), whether or not in writing, contemplating, relating to, or that could reasonably be expected to lead to, an Acquisition Transaction.

For purposes of this Agreement, "**Acquisition Transaction**" means (A) any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving Sunshine or its Subsidiary; (B) any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, 20% or more of the assets of Sunshine or its Subsidiary; (C) any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing 20% or more of the votes attached to the outstanding securities of Sunshine or its Subsidiary; (D) any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning 20% or more of any class of equity securities of Sunshine or its Subsidiary; or (E) any transaction which is similar in form, substance or purpose to any of the foregoing transactions, or any combination of the foregoing.

(b) Notwithstanding Section 5.09(a) or any other provision of this Agreement, prior to the Sunshine Meeting, Sunshine may take any of the actions described in Section 5.09(a)(ii) if, but only if, (i) Sunshine has received a bona fide unsolicited written Acquisition Proposal that did not result from a breach of this Section 5.09; (ii) the board of directors of Sunshine determines in good faith, after consultation with and having considered the advice of its outside financial advisor and outside legal counsel, that (A) such Acquisition Proposal constitutes or is reasonably likely to lead to a Superior Proposal and (B) it is reasonably necessary to take such actions to comply with its fiduciary duties to Sunshine's shareholders under applicable Law; (iii) Sunshine has provided CenterState with at least three (3) Business Days' prior notice of such determination; and (iv) prior to furnishing or affording access to any information or data with respect to Sunshine or its Subsidiary or otherwise relating to an Acquisition Proposal, Sunshine receives from such Person a confidentiality agreement with terms no less favorable to Sunshine than those contained in the confidentiality agreement with CenterState. Sunshine shall promptly provide to CenterState any non-public information regarding Sunshine or its Subsidiary provided to any other Person which was not previously provided to CenterState, such additional information to be provided no later than the date such information is provided to such other party.

## [Table of Contents](#)

For purposes of this Agreement, “**Superior Proposal**” means a bona fide, unsolicited Acquisition Proposal (i) that if consummated would result in a third party (or in the case of a direct merger between such third party and Sunshine or its Subsidiary, the shareholders of such third party) acquiring, directly or indirectly, more than 50% of the outstanding Sunshine Common Stock or more than 50% of the assets of Sunshine and its Subsidiary, taken as a whole, for consideration consisting of cash and/or securities and (ii) that the board of directors of Sunshine determines in good faith, after consultation with its outside financial advisor and outside legal counsel, (A) is reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein and the person making such Acquisition Proposal, and (B) taking into account any changes to this Agreement proposed by CenterState in response to such Acquisition Proposal as contemplated by Section 5.09(e), such proposal, is more favorable to the shareholders of Sunshine from a financial point of view than the Merger.

(c) Sunshine shall promptly (and in any event within twenty-four (24) hours) notify CenterState in writing if any proposals or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, Sunshine or the Sunshine Representatives, in each case in connection with any Acquisition Proposal, and such notice shall indicate the name of the Person initiating such discussions or negotiations or making such proposal, offer or information request and the material terms and conditions of any proposals or offers (and, in the case of written materials relating to such proposal, offer, information request, negotiations or discussion, providing copies of such materials (including e-mails or other electronic communications), except to the extent (i) that such materials constitute confidential information of the party making such offer or proposal under an effective confidentiality agreement, (ii) discussions of such materials jeopardizes the attorney-client privilege or (iii) disclosure of such materials contravenes any law, rule, regulation, order, judgment or decree). Sunshine agrees that it shall keep CenterState informed, on a reasonably current basis, of the status and terms of any such proposal, offer, information request, negotiations or discussions (including any amendments or modifications to such proposal, offer or request).

(d) Subject to Section 5.09(e), Neither the board of directors of Sunshine nor any committee thereof shall (i) withdraw, qualify, amend or modify, or propose to withdraw, qualify, amend or modify, in a manner adverse to CenterState in connection with the transactions contemplated by this Agreement (including the Merger), the Sunshine Recommendation, fail to reaffirm the Sunshine Recommendation within three (3) Business Days following a request by CenterState, or make any statement, filing or release, in connection with the Sunshine Meeting or otherwise, inconsistent with the Sunshine Recommendation (it being understood that taking a neutral position or no position with respect to an Acquisition Proposal shall be considered an adverse modification of the Sunshine Recommendation); (ii) approve or recommend, or propose to approve or recommend, any Acquisition Proposal; or (iii) enter into (or cause Sunshine or its Subsidiary to enter into) any letter of intent, agreement in principle, acquisition agreement or other agreement (A) related to any Acquisition Transaction (other than a confidentiality agreement entered into in accordance with the provisions of Section 5.09(b)) or (B) requiring Sunshine to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement.

(e) Notwithstanding Section 5.09(d) and subject to compliance with this Section 5.09(e), prior to the approval of the Merger at the Sunshine Meeting, the board of directors of Sunshine may approve or recommend a Superior Proposal to the Sunshine shareholders and withdraw, qualify, amend or modify the Sunshine Recommendation or take any of the other actions otherwise prohibited by Section 5.09(a) (a “**Sunshine Subsequent Determination**”) after the fifth (5<sup>th</sup>) Business Day following CenterState’s receipt of a notice (the “**Notice of Superior Proposal**”) from Sunshine advising CenterState that the board of directors of Sunshine has decided that a bona fide unsolicited written Acquisition Proposal that it received (that did not result from a breach of this Section 5.09) constitutes a Superior Proposal if, but only if, (i) the board of directors of Sunshine has determined in good faith, after consultation with and having considered the advice of outside legal counsel and its financial advisor, that the failure to take such actions would be reasonably likely to violate its fiduciary duties to Sunshine’s shareholders under applicable law, (ii) during the five (5) Business Day period after receipt of the Notice of Superior Proposal by CenterState (the “**Notice Period**”), Sunshine and the board of directors of



## [Table of Contents](#)

Sunshine shall have cooperated and negotiated in good faith with CenterState to make such adjustments, modifications or amendments to the terms and conditions of this Agreement as would enable Sunshine to proceed with the Sunshine Recommendation without a Sunshine Subsequent Determination; *provided, however*, that CenterState shall not have any obligation to propose any adjustments, modifications or amendments to the terms and conditions of this Agreement and (iii) at the end of the Notice Period, after taking into account any such adjusted, modified or amended terms as may have been proposed by CenterState since its receipt of such Notice of Superior Proposal, the board of directors of Sunshine has again in good faith made the determination (A) in clause (i) of this Section 5.09(e) and (B) that such Acquisition Proposal constitutes a Superior Proposal. In the event of any material revisions to the Superior Proposal, Sunshine shall be required to deliver a new Notice of Superior Proposal to CenterState and again comply with the requirements of this Section 5.09(e), except that the Notice Period shall be reduced to three (3) Business Days.

(f) Nothing contained in this Section 5.09 or elsewhere in this Agreement shall prohibit Sunshine or the board of directors of Sunshine from complying with Sunshine's obligations required under Rule 14e-2(a) promulgated under the Exchange Act; *provided, however*, that any such disclosure relating to an Acquisition Proposal (other than a "stop, look and listen" or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) shall be deemed a change in the Sunshine Recommendation unless the board of directors of Sunshine reaffirms the Sunshine Recommendation in such disclosure.

### Section 5.10. Indemnification.

(a) For a period of six (6) years from and after the Effective Time, and in any event subject to the provisions of Section 5.10(b)(iv), CenterState shall indemnify, defend and hold harmless the present and former directors, officers and employees of Sunshine and its Subsidiary (the "**Indemnified Parties**"), against all costs or expenses (including reasonable attorney's fees), judgments, fines, losses, claims, damages, or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative arising out of actions or omissions of such persons in the course of performing their duties for Sunshine or such Subsidiary occurring at or before the Effective Time (including the transactions contemplated by this Agreement) (each a "**Claim**"), to the same extent as such persons have the right to be indemnified pursuant to the articles of incorporation or bylaws of Sunshine or similar governing documents of such Subsidiary in effect on the date of this Agreement and to the extent permitted by applicable Maryland Law. CenterState shall pay such expenses to each Indemnified Party to the fullest extent permitted by the provisions of Maryland Law and Sunshine's articles of incorporation and bylaws.

(b) Any Indemnified Party wishing to claim indemnification under this Section 5.10 shall promptly notify CenterState upon learning of any Claim, *provided that*, failure to so notify shall not affect the obligation of CenterState under this Section 5.10, unless, and only to the extent that, CenterState is materially prejudiced in the defense of such Claim as a consequence. In the event of any such Claim (whether asserted or claimed prior to, at or after the Effective Time), (i) CenterState shall have the right to assume the defense thereof and CenterState shall not be liable to such Indemnified Parties for any legal expenses or other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof except that if CenterState elects not to assume such defense, the Indemnified Parties may retain counsel reasonably satisfactory to them, and CenterState shall pay the reasonable fees and expenses of such counsel for the Indemnified Parties (provided that CenterState shall only be obligated to pay the reasonable fees and expenses of one such counsel), (ii) the Indemnified Parties will cooperate in the defense of any such matter, (iii) CenterState shall not be liable for any settlement effected without its prior written consent and (iv) CenterState shall have no obligation hereunder to any Indemnified Party if such indemnification would be in violation of any applicable federal or state banking Laws or regulations, or in the event that a federal or state banking agency or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable Laws, whether or not related to banking Laws.

(c) For a period of six (6) years following the Effective Time, CenterState will use its commercially reasonable efforts to provide director's and officer's liability insurance (herein, "**D&O Insurance**") that serves to



[Table of Contents](#)

reimburse the present and former officers and directors of Sunshine or its Subsidiaries (determined as of the Effective Time) with respect to claims against such directors and officers arising from facts or events occurring before the Effective Time (including the transactions contemplated hereby), which insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the Indemnified Party, as that coverage currently provided by Sunshine; *provided that*, if CenterState is unable to maintain or obtain the insurance called for by this [Section 5.10](#), CenterState will provide as much comparable insurance as is reasonably available (subject to the limitations described below in this [Section 5.10\(d\)](#)); and *provided, further*, that officers and directors of Sunshine or its Subsidiaries may be required to make application and provide customary representations and warranties to the carrier of the D&O Insurance for the purpose of obtaining such insurance. In no event shall CenterState be required to expend for such tail insurance a premium amount in excess of an amount equal to 200% of the annual premiums paid by Sunshine for D&O Insurance in effect as of the date of this Agreement (the “**Maximum D&O Tail Premium**”). If the cost of such tail insurance exceeds the Maximum D&O Tail Premium, CenterState shall obtain tail insurance coverage or a separate tail insurance policy with the greatest coverage available for a cost not exceeding the Maximum D&O Tail Premium.

(d) If CenterState or any of its successors and assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) shall transfer all or substantially all of its property and assets to any individual, corporation or other entity, then, in each such case, proper provision shall be made so that the successors and assigns of CenterState and its Subsidiaries shall assume the obligations set forth in this [Section 5.10](#).

#### Section 5.11. [Employees; Benefit Plans.](#)

(a) Following the Effective Time, CenterState shall maintain or cause to be maintained employee benefit plans and compensation opportunities for the benefit of employees who are full time employees of Sunshine or its Subsidiary on the Closing Date (“**Covered Employees**”) that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities that are made available on a uniform and non-discriminatory basis to similarly situated employees of CenterState or its Subsidiaries, as applicable; *provided, however*, that in no event shall any Covered Employee be eligible to participate in any closed or frozen plan of CenterState or its Subsidiaries. CenterState shall give the Covered Employees full credit for their prior service with Sunshine and its Subsidiary (i) for purposes of eligibility (including initial participation and eligibility for current benefits) and vesting under any qualified or non-qualified employee benefit plan maintained by CenterState and in which Covered Employees may be eligible to participate and (ii) for all purposes under any welfare benefit plans, vacation plans, severance plans and similar arrangements maintained by CenterState.

(b) With respect to any employee benefit plan of CenterState that is a health, dental, vision or other welfare plan in which any Covered Employee is eligible to participate, for the plan year in which such Covered Employee is first eligible to participate, CenterState or its applicable Subsidiary shall use its commercially reasonable efforts to (i) cause any pre-existing condition limitations or eligibility waiting periods under such CenterState or Subsidiary plan to be waived with respect to such Covered Employee and his or her covered dependents to the extent such condition was or would have been covered under the Sunshine Benefit Plan in which such Covered Employee participated immediately prior to the Effective Time, and (ii) recognize any health, dental, vision or other welfare expenses incurred by such Covered Employee and his or her covered dependents in the year that includes the Closing Date (or, if later, the year in which such Covered Employee is first eligible to participate) for purposes of any applicable copayment, deductibles and annual out-of-pocket expense requirements under any such health, dental, vision or other welfare plan. Neither CenterState nor any of its Subsidiaries shall terminate the existing coverage of any Covered Employee or his or her dependents under any of the Sunshine or Sunshine Subsidiary health plans prior to the time such Covered Employees and their dependents become eligible to participate in the health plans, programs and benefits common to all employees of CenterState or any CenterState Subsidiary and their dependents.

[Table of Contents](#)

(c) Prior to the Effective Time, Sunshine shall take, and shall cause its Subsidiary to take, all actions requested by CenterState that may be necessary or appropriate to (i) cause one or more Sunshine Benefits Plans to terminate as of the Effective Time, or as of the date immediately preceding the Effective Time, (ii) cause benefit accruals and entitlements under any Sunshine Benefit Plan to cease as of the Effective Time, or as of the date immediately preceding the Effective Time, (iii) cause the continuation on and after the Effective Time of any contract, arrangement or insurance policy relating to any Sunshine Benefit Plan for such period as may be requested by CenterState, or (iv) facilitate the merger of any Sunshine Benefit Plan into any employee benefit plan maintained by CenterState or a CenterState Subsidiary. All resolutions, notices, or other documents issued, adopted or executed in connection with the implementation of this [Section 5.11\(c\)](#) shall be subject to CenterState's reasonable prior review and approval, which shall not be unreasonably withheld, conditioned or delayed. If CenterState requires Sunshine to terminate a medical plan having a flexible spending arrangement ("*FSA*") under Code Section 125, Sunshine and each of its Subsidiaries may continue its FSA through the Effective Time.

(d) Nothing in this [Section 5.11](#) shall be construed to limit the right of CenterState or any of its Subsidiaries (including, following the Closing Date, Sunshine and its Subsidiary) to amend or terminate any Sunshine Benefit Plan or other employee benefit plan, to the extent such amendment or termination is permitted by the terms of the applicable plan, nor shall anything in this [Section 5.11](#) be construed to require CenterState or any of its Subsidiaries (including, following the Closing Date, Sunshine and its Subsidiary) to retain the employment of any particular Covered Employee for any fixed period of time following the Closing Date, and, except as otherwise provided pursuant to [Section 6.03\(h\)](#), the continued retention (or termination) by CenterState or any of its Subsidiaries of any Covered Employee subsequent to the Effective Time shall be subject in all events to CenterState's or its applicable Subsidiary's normal and customary employment procedures and practices, including customary background screening and evaluation procedures, and satisfactory employment performance.

(e) If, within six (6) months after the Effective Time, unless otherwise addressed in an employment agreement entered into with CenterState Bank, any Covered Employee who is terminated by CenterState or its Subsidiaries other than "for cause" (as defined under the policies of CenterState and/or its Subsidiaries) or resigns because he or she was offered a position with a material reduction in rate of base pay or that is outside a 50-mile radius of the current address of his or her primary work location at Sunshine, then CenterState shall pay severance to such Covered Employee in an amount equal to two (2) weeks of base salary for each twelve (12) months of such Covered Employee's prior employment with Sunshine or its Subsidiary; *provided, however*, that in no event will the total amount of severance for any single Covered Employee be less than four (4) weeks of such base salary nor greater than twenty-six (26) weeks of such base salary. Any severance to which a Covered Employee may be entitled in connection with a termination occurring more than six (6) months after the Effective Time will be as set forth in the severance policies of CenterState and its Subsidiaries as then in effect.

(f) At the Effective Time, all accrued and unused sick time for all employees of Sunshine and its Subsidiary and all accrued and unused vacation time for all employees of Sunshine and its Subsidiary shall be accorded such treatment as set forth in [CenterState Disclosure Schedule Section 5.11\(f\)](#).

(g) Prior to the Effective Time, Sunshine shall, as directed by CenterState, (i) cause the termination of any salary continuation and supplemental executive retirement plans, programs and agreements between Sunshine and/or its Subsidiary and any officer or employee, and (ii) pay all amounts due its officers, directors and employees pursuant to the supplement executive retirement plans, programs and agreements and pursuant to the change in control provisions applicable under any Sunshine Benefit Plan in accordance with Section 409A of the Code. [Sunshine Disclosure Schedule Section 5.11](#) sets forth all estimated payments to be made by Sunshine pursuant to this [Section 5.11\(g\)](#).

(h) CenterState shall honor the employment agreements, change in control agreements and severance arrangements in effect as set forth in Sunshine Disclosure Schedule 3.11(a), unless superseded or terminated as of the Effective Time, with the written consent of the affected parties.

[Table of Contents](#)

(i) The Sunshine ESOP shall be terminated immediately prior to the Effective Time (the “**ESOP Termination Date**”). On the ESOP Termination Date, Sunshine shall direct the Sunshine ESOP trustee(s) to remit to Sunshine a sufficient number of shares of Sunshine Common Stock held by the ESOP’s unallocated suspense account to Sunshine to repay the full outstanding balance of the loan between the Sunshine ESOP and Sunshine (the “**Sunshine ESOP Loan**”) (and with such Sunshine Common Stock valued on the ESOP Termination Date) and, if after remitting such shares there remains any unpaid amount under the Sunshine ESOP Loan, such unpaid amount, including any unpaid but accrued interest, shall be forgiven by Sunshine at the Effective Time. All remaining shares of Sunshine Common Stock held by the Sunshine ESOP as of the Effective Time shall be converted into the right to receive the Merger Consideration. Within thirty (30) days following the date of this Agreement, Sunshine shall file or cause to be filed all necessary documents with the IRS for a determination letter for termination of the Sunshine ESOP. As soon as practicable following the receipt of a favorable determination letter from the IRS regarding the qualified status of the Sunshine ESOP upon its termination, the account balances in the Sunshine ESOP shall either be distributed to participants and beneficiaries or transferred to an eligible tax-qualified retirement plan or individual retirement account as a participant or beneficiary may direct. Sunshine shall adopt the necessary amendment(s) and board resolution(s) to effect the provisions of this Section 5.11(i).

(j) Sunshine shall establish a retention bonus pool to be paid to certain designated Sunshine employees, with such recipients, amounts of payments and timing of payments to be agreed to in writing by the parties no later than 45 days following the date of this Agreement. The aggregate amount of such retention bonuses payable pursuant to the retention bonus pool shall not exceed \$150,000 in the aggregate.

(k) At the Effective Time, CenterState shall assume the obligations of Sunshine under each Sunshine Stock Option outstanding at the Effective Time and, except with respect to the adjustments described Section 2.02(a), each such Sunshine Stock Option shall remain in effect in accordance with its terms including with respect to vesting and termination.

Section 5.12. Notification of Certain Changes. Sunshine and CenterState shall promptly advise the other Party of any change or event having, or which could reasonably be expected to have, a Material Adverse Effect or which it believes would, or which could reasonably be expected to, cause or constitute a material breach of any of its or its respective Subsidiaries’ representations, warranties or covenants contained herein. From time to time prior to the Effective Time (and on the date prior to the Closing Date), Sunshine will supplement or amend the Sunshine Disclosure Schedules, delivered in connection with the execution of this Agreement to reflect any matter which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in such Sunshine Disclosure Schedule or which is necessary to correct any information in such Sunshine Disclosure Schedule which has been rendered materially inaccurate thereby. No supplement or amendment to any Sunshine Disclosure Schedule or provision of information relating to the subject matter of any Sunshine Disclosure Schedule after the date of this Agreement shall operate to cure any breach of a representation or warranty made herein or have any effect for the purpose of determining satisfaction of the conditions set forth in Section 6.03(a) or Section 6.03(b), as the case may be, or compliance by Sunshine with the respective covenants and agreements of such parties set forth herein.

Section 5.13. Transition; Informational Systems Conversion. From and after the date hereof, CenterState and Sunshine shall use their commercially reasonable efforts to facilitate the integration of Sunshine with the business of CenterState following consummation of the transactions contemplated hereby, and shall meet on a regular basis to discuss and plan for the conversion of the data processing and related electronic informational systems of Sunshine and its Subsidiary (the “**Informational Systems Conversion**”) to those used by CenterState, which planning shall include, but not be limited to, (a) discussion of third-party service provider arrangements of Sunshine and its Subsidiary; (b) non-renewal or changeover, after the Effective Time, of personal property leases and software licenses used by Sunshine and its Subsidiary in connection with the systems operations; (c) retention of outside consultants and additional employees to assist with the conversion; (d) outsourcing, as appropriate after the Effective Time, of proprietary or self-provided system services; and (e) any other actions necessary and appropriate to facilitate the conversion, as soon as practicable following the Effective Time.

## Table of Contents

Section 5.14. No Control of Other Party's Business. Nothing contained in this Agreement shall give CenterState, directly or indirectly, the right to control or direct the operations of Sunshine or its Subsidiary prior to the Effective Time, and nothing contained in this Agreement shall give Sunshine, directly or indirectly, the right to control or direct the operations of CenterState or its Subsidiaries prior to the Effective Time. Prior to the Effective Time, each of Sunshine and CenterState shall exercise, consistent with the terms and conditions of this Agreement, control and supervision over its and its Subsidiaries' respective operations.

Section 5.15. Certain Litigation. Each Party shall promptly advise the other Party orally and in writing of any actual or threatened shareholder litigation against such Party and/or the members of the board of directors of Sunshine or the board of directors of CenterState related to this Agreement or the Merger and the other transactions contemplated by this Agreement. Sunshine shall: (i) permit CenterState to review and discuss in advance, and consider in good faith the views of CenterState in connection with, any proposed written or oral response to such shareholder litigation; (ii) furnish CenterState's outside legal counsel with all non-privileged information and documents which outside counsel may reasonably request in connection with such shareholder litigation; (iii) consult with CenterState regarding the defense or settlement of any such shareholder litigation, shall give due consideration to CenterState's advice with respect to such shareholder litigation and shall not settle any such litigation prior to such consultation and consideration; *provided, however*, that Sunshine shall not settle any such shareholder litigation if such settlement requires the payment of money damages, without the written consent of CenterState (such consent not to be unreasonably withheld) unless the payment of any such damages by Sunshine is reasonably expected by Sunshine, following consultation with outside counsel, to be fully covered (disregarding any deductible to be paid by Sunshine) under Sunshine's existing director and officer insurance policies, including any tail policy and also does not cause the tail insurance premium contemplated by Section 5.10(d) to exceed the Maximum D&O Tail Premium.

Section 5.16. Director Resignations. Sunshine shall use commercially reasonable efforts to cause to be delivered to CenterState resignations of all the directors of Sunshine and its Subsidiaries, such resignations to be effective as of the Effective Time.

Section 5.17. Non-Competition and Non-Disclosure Agreement. Concurrently with the execution and delivery of this Agreement and effective upon Closing, Sunshine has caused each director of Sunshine and Savings Bank to execute and deliver the Non-Competition and Non-Disclosure Agreement in the form attached hereto as Exhibit D (collectively, the "**Director Restrictive Covenant Agreements**").

Section 5.18. Claims Letters. Concurrently with the execution and delivery of this Agreement and effective upon the Closing, Sunshine has caused each director of Sunshine and Savings Bank to execute and deliver the Claims Letter in the form attached hereto as Exhibit E.

Section 5.19. Coordination.

(a) Prior to the Effective Time, each of Sunshine and its Subsidiary shall take any action CenterState may reasonably request from time to time to better prepare the parties for the integration of the operations of Sunshine and its Subsidiary with CenterState and its Subsidiaries, respectively. Without limiting the foregoing, senior officers of Sunshine and CenterState shall meet from time to time as CenterState may reasonably request, and in any event not less frequently than monthly, to review the financial and operational affairs of Sunshine and its Subsidiary, and Sunshine shall give due consideration to CenterState's input on such matters, with the understanding that, notwithstanding any other provision contained in this Agreement, neither CenterState nor CenterState Bank shall under any circumstance be permitted to exercise control of Sunshine or its Subsidiary prior to the Effective Time. Sunshine shall permit representatives of CenterState Bank to be onsite at Sunshine to facilitate integration of operations and assist with any other coordination efforts as necessary.

(b) Prior to the Effective Time, Sunshine and its Subsidiary shall take any actions CenterState may reasonably request in connection with negotiating any amendments, modifications or terminations of any Leases

[Table of Contents](#)

or Sunshine Contracts that CenterState may request, including, but not limited to, actions necessary to cause any such amendments, modifications or terminations to become effective prior to, or immediately upon, the Closing, and shall cooperate with CenterState and use commercially reasonable efforts to negotiate specific provisions that may be requested by CenterState in connection with any such amendment, modification or termination.

(c) CenterState and Sunshine shall cooperate (i) to minimize any potential adverse impact to CenterState under Financial Accounting Standards Board Accounting Standards Codification Topic 805 (Business Combinations), and (ii) to maximize potential benefits to CenterState and its Subsidiaries under Code Section 382 in connection with the transactions contemplated by this Agreement, in each case consistent with GAAP, the rules and regulations of the SEC and applicable banking Laws and regulations.

(d) From and after the date hereof, the parties shall reasonably cooperate with the other in preparing for the prompt conversion or consolidation of systems and business operations promptly after the Effective Time (including by entering into customary confidentiality, non-disclosure and similar agreements with the other party and appropriate service providers) and Sunshine shall, upon CenterState's reasonable request, introduce CenterState and its representatives to suppliers of Sunshine and its Subsidiaries for the purpose of facilitating the integration of Sunshine and its business into that of CenterState. In addition, after satisfaction of the conditions set forth in [Section 6.01\(a\)](#) and [Section 6.01\(b\)](#), Sunshine shall, upon CenterState's reasonable request, introduce CenterState and its representatives to customers of Sunshine and its Subsidiary for the purpose of facilitating the integration of Sunshine and its business into that of CenterState. Any interaction between CenterState and Sunshine's and any of its Subsidiary's customers and suppliers shall be coordinated by Sunshine. Sunshine shall have the right to participate in any discussions between CenterState and Sunshine's customers and suppliers.

(e) CenterState and Sunshine agree to take all action necessary and appropriate to cause Savings Bank to merge with CenterState Bank in accordance with applicable Laws and the terms of the Plan of Bank Merger immediately following the Effective Time or as promptly as practicable thereafter.

Section 5.20. [Transactional Expenses](#). Sunshine has provided in Sunshine Disclosure Schedule 5.20 a reasonable good faith estimate of costs and fees that Sunshine and its Subsidiary expect to pay to retained representatives in connection with the transactions contemplated by this Agreement (collectively, "[Sunshine Expenses](#)"). Sunshine shall use its commercially reasonable efforts to cause the aggregate amount of all Sunshine Expenses to not exceed the total expenses disclosed in [Sunshine Disclosure Schedule 5.20](#). Sunshine shall promptly notify CenterState if or when it determines that it expects to materially exceed its estimate for Sunshine Expenses. Notwithstanding anything to the contrary in this [Section 5.20](#), Sunshine shall not incur any investment banking, brokerage, finders or other similar financial advisory fees in connection with the transactions contemplated by this Agreement other than those expressly set forth in [Sunshine Disclosure Schedule 3.23](#).

Section 5.21. [Confidentiality](#). Prior to the execution of this Agreement and prior to the consummation of the Merger, each of CenterState and Sunshine, and their respective Subsidiaries, affiliates, officers, directors, agents, employees, consultants and advisors have provided, and will continue to provide one another with information which may be deemed by the party providing the information to be non-public, proprietary and/or confidential, including, but not limited to, trade secrets of the disclosing party. Each Party agrees that it will, and will cause its representatives to, hold any information so obtained pursuant to this Article V in accordance with the terms of the confidentiality and non-disclosure agreement, dated as of July 17, 2017 between CenterState and Sunshine.

Section 5.22. [Tax Matters](#). The Parties intend that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Code and that this Agreement constitute a "plan of reorganization" within the meaning of Section 1.368-2(g) of the Treasury Regulations. Except as expressly contemplated or permitted by this Agreement, from and after the date of this Agreement and until the Effective Time, each of CenterState and Sunshine shall use their respective commercially reasonable efforts to cause the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code, and will not knowingly take any action, cause any action to be taken, fail to take any action or cause any action to fail to be taken which action or failure to act

[Table of Contents](#)

is intended or is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

## ARTICLE VI

### CONDITIONS TO CONSUMMATION OF THE MERGER

Section 6.01. Conditions to Obligations of the Parties to Effect the Merger. The respective obligations of the Parties to consummate the Merger are subject to the fulfillment or, to the extent permitted by applicable Law, written waiver by the Parties prior to the Closing Date of each of the following conditions:

(a) Shareholder Vote. This Agreement and the transactions contemplated hereby shall have received the Requisite Sunshine Shareholder Approval at the Sunshine Meeting.

(b) Regulatory Approvals; No Burdensome Condition. All Regulatory Approvals required to consummate the Merger and the Bank Merger in the manner contemplated herein shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof, if any, shall have expired or been terminated. None of such Regulatory Approvals shall impose any term, condition or restriction upon CenterState or any of its Subsidiaries that CenterState reasonably determines is a Burdensome Condition.

(c) No Injunctions or Restraints; Illegality. No judgment, order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of any of the transactions contemplated hereby shall be in effect. No statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits or makes illegal the consummation of any of the transactions contemplated hereby.

(d) Effective Registration Statement. The Registration Statement shall have become effective and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC and, if the offer of CenterState Common Stock in the Merger is subject to the blue sky laws of any state, shall not be subject to a stop order of any state securities commissioner.

(e) Tax Opinions Relating to the Merger. CenterState and Sunshine, respectively, shall have received opinions from Hacker, Johnson, Smith PA and Luse Gorman, PC, respectively, each dated as of the Closing Date, in substance and form reasonably satisfactory to CenterState and Sunshine, respectively, to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the Merger will be treated for federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Code. In rendering their opinions, Hacker, Johnson, Smith PA and Luse Gorman, PC may require and rely upon representations as to certain factual matters contained in certificates of officers of each of CenterState and Sunshine, in form and substance reasonably acceptable to such counsel.

(f) Listing of CenterState Common Stock. The shares of CenterState Common Stock issuable pursuant to the Merger shall have been approved for listing on the NASDAQ.

(g) Plan of Bank Merger. The Plan of Bank Merger shall have been executed and delivered.

Section 6.02. Conditions to Obligations of Sunshine. The obligations of Sunshine to consummate the Merger also are subject to the fulfillment or written waiver by Sunshine prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of CenterState (other than in Sections 4.03, 4.09 and 4.15) set forth in this Agreement or in any certificate or agreement delivered by

## [Table of Contents](#)

CenterState pursuant to the provisions hereof shall be true and correct, in all respects (without giving effect to any limitation indicated by the words “Material Adverse Effect,” “in all material respects,” “in any material respect,” “material,” “materially” or words of similar import) as of the date of this Agreement and immediately prior to the Effective Time with the same effect as though all such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on CenterState; *provided, however*, that the representations and warranties in Section 4.03 (Capitalization), Section 4.09 (Absence of Certain Changes or Events), and Section 4.15 (CenterState Information) shall be true and correct in all respects as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time. Sunshine shall have received a certificate signed on behalf of CenterState by the Chief Executive Officer and the Chief Financial Officer of CenterState to the foregoing effect.

(b) Performance of Obligations of CenterState. CenterState shall have performed and complied with all of its obligations under this Agreement in all material respects at or prior to the Closing Date, except where the failure of the performance of, or compliance with, such obligation has not had and does not have a Material Adverse Effect on CenterState, and Sunshine shall have received a certificate, dated the Closing Date, signed on behalf of CenterState by its Chief Executive Officer and the Chief Financial Officer to such effect.

(c) No Material Adverse Effect. Since the date of this Agreement (i) no change or event has occurred which has resulted in CenterState or CenterState Bank being subject to a Material Adverse Effect and (ii) no condition, event, fact, circumstance or other occurrence has occurred that may reasonably be expected to have or result in such parties being subject to a Material Adverse Effect.

Section 6.03. Conditions to Obligations of CenterState. The obligations of CenterState to consummate the Merger also are subject to the fulfillment or written waiver by CenterState prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Sunshine (other than in Sections 3.03, 3.08 and 3.25) set forth in this Agreement or in any certificate or agreement delivered by Sunshine pursuant to the provisions hereof shall be true and correct, in all respects (without giving effect to any limitation indicated by the words “Material Adverse Effect,” “in all material respects,” “in any material respect,” “material,” “materially” or words of similar import) as of the date of this Agreement and immediately prior to the Effective Time with the same effect as though all such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Sunshine; *provided, however*, that (i) the representations and warranties in Section 3.03 (Capitalization), Section 3.08 (Absence of Certain Changes or Events) and Section 3.25 (Sunshine Information) shall be true and correct in all respects as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time. CenterState shall have received a certificate signed on behalf of Sunshine by the Chief Executive Officer and the Chief Financial Officer of Sunshine to the foregoing effect.

(b) Performance of Obligations of Sunshine. Sunshine shall have performed and complied with all of its obligations under this Agreement in all material respects at or prior to the Closing Date, except where the failure of the performance of, or compliance with, such obligation has not had and does not have a Material Adverse Effect on Sunshine and CenterState shall have received a certificate, dated the Closing Date, signed on behalf of Sunshine by Sunshine’s Chief Executive Officer and Chief Financial Officer, to such effect.

(c) Other Actions. The board of directors of Sunshine shall have approved this Agreement and the transactions contemplated herein and shall not have (i) withheld, withdrawn or modified (or publicly proposed to



[Table of Contents](#)

withhold, withdrawal or modify), in a manner adverse to CenterState, the Sunshine Recommendation referred to in [Section 5.04](#), (ii) approved or recommended (or publicly proposed to approve or recommend) any Acquisition Proposal, or (iii) allowed Sunshine or the Sunshine Subsidiary to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or agreement relating to any Acquisition Proposal. Sunshine shall have furnished CenterState with such certificates of its officers or others and such other documents to evidence fulfillment of the conditions set forth in [Section 6.01](#) and this [Section 6.03](#) as CenterState may reasonably request.

(d) No Material Adverse Effect. Since the date of this Agreement (i) no change or event has occurred which has resulted in Sunshine or its Subsidiary being subject to a Material Adverse Effect and (ii) no condition, event, fact, circumstance or other occurrence has occurred that may reasonably be expected to have or result in such parties being subject to a Material Adverse Effect.

(e) Consents and Approvals. Sunshine has received, in form and substance satisfactory to Sunshine and CenterState, all material consents, approvals, waivers and other assurances from all non-governmental third parties which are required to be obtained under the terms of any contract, agreement or instrument to which Sunshine or the Sunshine Subsidiary is a party or by which any of their respective properties is bound in order to prevent the consummation of the transactions contemplated by this Agreement from constituting a default under such contract, agreement or instrument or creating any lien, claim or charge upon any of the assets of Sunshine or the Sunshine Subsidiary.

[Section 6.04. Frustration of Closing Conditions](#). Neither CenterState nor Sunshine may rely on the failure of any condition set forth in [Section 6.01](#), [Section 6.02](#) or [Section 6.03](#), as the case may be, to be satisfied if such failure was caused by such Party's failure to use its commercially reasonable efforts to consummate any of the transactions contemplated hereby, as required by and subject to [Section 5.03](#).

## ARTICLE VII

### TERMINATION

[Section 7.01. Termination](#). This Agreement may be terminated, and the transactions contemplated hereby may be abandoned:

(a) Mutual Consent. At any time prior to the Effective Time, by the mutual consent, in writing, of CenterState and Sunshine if the board of directors of CenterState and the board of directors of Sunshine each so determines by vote of a majority of the members of its entire board.

(b) No Regulatory Approval. By CenterState or Sunshine, if either of their respective boards of directors so determines by a vote of a majority of the members of its entire board, in the event any Regulatory Approval required for consummation of the transactions contemplated by this Agreement shall have been denied by final, non-appealable action by such Governmental Authority or an application therefor shall have been permanently withdrawn at the request of a Governmental Authority.

(c) No Shareholder Approval. By CenterState (provided, in the case of CenterState, that it shall not be in breach of any of its obligations under [Section 5.05](#)), or by Sunshine (provided, that in the case of Sunshine, that it shall not be in breach of any of its obligations under [Sections 5.04 and 5.09](#)), if the Requisite Sunshine Shareholder Approval at the Sunshine Meeting shall not have been obtained by reason of the failure to obtain the required vote at a duly held meeting of such shareholders or at any adjournment or postponement thereof.

(d) Breach of Representations and Warranties. By either CenterState or Sunshine (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement



[Table of Contents](#)

contained herein in a manner that would entitle the other party to not consummate this Agreement) if there shall have been (i) with respect to representations and warranties set forth in this Agreement that are not qualified by the term “material” or do not contain terms such as “Material Adverse Effect,” a material breach of any of such representations or warranties by the other party and (ii) with respect to representations and warranties set forth in this Agreement that are qualified by the term “material” or contain terms such as “Material Adverse Effect,” any breach of any of such representations or warranties by the other Party; which breach is not cured prior to the earlier of (y) thirty (30) days following written notice to the Party committing such breach from the other Party or (z) two (2) Business Days prior to the Expiration Date, or which breach, by its nature, cannot be cured prior to the Closing; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 7.01(d) unless the breach of representation or warranty, together with all other such breaches, would entitle the terminating party not to consummate the transactions contemplated hereby under Section 6.02(a) (in the case of a breach of a representation or warranty by CenterState) or Section 6.03(a) (in the case of a breach of a representation or warranty by Sunshine).

(e) Breach of Covenants. By either CenterState or Sunshine (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein in a manner that would entitle the other Party not to consummate the agreement) if there shall have been a material breach of any of the covenants or agreements set forth in this Agreement on the part of the other Party, which breach shall not have been cured prior to the earlier of (i) thirty (30) days following written notice to the Party committing such breach from the other Party or (ii) two (2) Business Days prior to the Expiration Date, or which breach, by its nature, cannot be cured prior to the Closing; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 7.01(e) unless the breach of covenant or agreement, together with all other such breaches, would entitle the terminating party not to consummate the transactions contemplated hereby under Section 6.02(b) (in the case of a breach of a representation or warranty by CenterState) or Section 6.03(b) (in the case of a breach of a representation or warranty by Sunshine).

(f) Delay. By either CenterState or Sunshine if the Merger shall not have been consummated on or before May 31, 2018 (the “**Expiration Date**”), unless the failure of the Closing to occur by such date shall be due to a material breach of this Agreement by the Party seeking to terminate this Agreement.

(g) Failure to Recommend; Etc. In addition to and not in limitation of CenterState’s termination rights under Section 7.01(e), by CenterState if (i) there shall have been a material breach of Section 5.09, or (ii) the board of directors of Sunshine (A) withdraws, qualifies, amends, modifies or withholds the Sunshine Recommendation, or makes any statement, filing or release, in connection with the Sunshine Meeting or otherwise, inconsistent with the Sunshine Recommendation (it being understood that taking a neutral position or no position with respect to an Acquisition Proposal shall be considered an adverse modification of the Sunshine Recommendation), (B) materially breaches its obligation to call, give notice of and commence the Sunshine Meeting under Section 5.04(a), (C) approves or recommends an Acquisition Proposal, (D) fails to publicly recommend against a publicly announced Acquisition Proposal within three (3) Business Days of being requested to do so by CenterState, (E) fails to publicly reconfirm the Sunshine Recommendation within three (3) Business Days of being requested to do so by CenterState, or (F) resolves or otherwise determines to take, or announces an intention to take, any of the foregoing actions.

(h) Superior Proposal. By the board of directors of Sunshine if Sunshine has received a Superior Proposal, and in accordance, and subject to compliance, with Section 5.09 of this Agreement, the Sunshine board of directors has made a determination to accept such Superior Proposal.

## [Table of Contents](#)

(i) **CenterState Stock Price.** By the board of directors of Sunshine, if the board of directors of Sunshine so determines by a vote of the majority of the members of the entire Sunshine Board, at any time during the five-day period commencing with the Determination Date (as defined below), if both of the following conditions are satisfied:

(A) The quotient obtained by dividing the CenterState Average Stock Price by the Initial CenterState Market Price (as defined below) (the “**CenterState Ratio**”) shall be less than 0.85; and

(B) (x) the CenterState Ratio shall be less than (y) the quotient obtained by dividing the Final Index Price by the Index Price on the Starting Date (each as defined below) and subtracting 0.15 from the quotient in this clause (B)(y) (such number in this clause (B)(y) that results from dividing the Final Index Price by the Index Price on the Starting Date being referred to herein as the “**Index Ratio**”);

subject, however, to the following three sentences. If Sunshine elects to exercise its termination right pursuant to this [Section 7.01\(i\)](#), it shall give written notice to CenterState. During the five-day period commencing with its receipt of such notice, CenterState shall have the option to increase the consideration to be received by the holders of Sunshine Common Stock hereunder, either by adjusting the Merger Consideration, or by providing a cash payment so that the merger consideration or the combination of such cash payment plus the Merger Consideration, equals the lesser of (x) a number (rounded to the nearest one one-thousandth) obtained by dividing (A) the product of the Initial CenterState Market Price, 0.85 and the Merger Consideration by (B) the CenterState Average Stock Price and (y) a number (rounded to the nearest one one-thousandth) obtained by dividing (A) the product of the Index Ratio and the Merger Consideration by (B) the CenterState Ratio. If CenterState so elects within such five-day period, it shall give prompt written notice to Sunshine of such election and the adjusted Merger Consideration, whereupon no termination shall have occurred pursuant to this [Section 7.01\(i\)](#), and this Agreement shall remain in effect in accordance with its terms (except as the Exchange Ratio may have been so modified).

### Section 7.02. Termination Fee; Expenses.

(a) In recognition of the efforts, expenses and other opportunities foregone by CenterState while structuring and pursuing the Merger, Sunshine shall pay to CenterState a termination fee equal to \$7,068,000 (“**Termination Fee**”), by wire transfer of immediately available funds to an account specified by CenterState in the event of any of the following: (i) in the event CenterState terminates this Agreement pursuant to [Section 7.01\(g\)](#) or Sunshine terminates this Agreement pursuant to [Section 7.01\(h\)](#), Sunshine shall pay CenterState the Termination Fee within one (1) Business Day after receipt of CenterState’s notification of such termination; and (ii) in the event that after the date of this Agreement and prior to the termination of this Agreement, an Acquisition Proposal shall have been made known to senior management of Sunshine or has been made directly to its shareholders generally or any Person shall have publicly announced (and not withdrawn) an Acquisition Proposal with respect to Sunshine and (A) thereafter this Agreement is terminated (x) by either CenterState or Sunshine pursuant to [Section 7.01\(c\)](#) because the Requisite Sunshine Shareholder Approval shall not have been obtained or (y) by CenterState pursuant to [Section 7.01\(d\)](#) or [Section 7.01\(e\)](#) and (B) prior to the date that is twelve (12) months after the date of such termination, Sunshine enters into any agreement or consummates a transaction with respect to an Acquisition Proposal (whether or not the same Acquisition Proposal as that referred to above), then Sunshine shall, on the earlier of the date it enters into such agreement and the date of consummation of such transaction, pay CenterState the Termination Fee, *provided*, that for purposes of this [Section 7.02\(a\)\(ii\)](#), all references in the definition of Acquisition Proposal to “20%” shall instead refer to “50%.”

(b) Sunshine and CenterState each agree that the agreements contained in this [Section 7.02](#) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, CenterState would not enter into this Agreement; accordingly, if Sunshine fails promptly to pay any amounts due under this [Section 7.02](#), Sunshine shall pay interest on such amounts from the date payment of such amounts were due to the date of actual payment at the rate of interest equal to the sum of (i) the rate of interest published from time to time in The Wall Street Journal, Eastern Edition (or any successor publication thereto), designated therein as the

## [Table of Contents](#)

prime rate on the date such payment was due, plus (ii) 200 basis points, together with the costs and expenses of CenterState (including reasonable legal fees and expenses) in connection with such suit.

(c) Notwithstanding anything to the contrary set forth in this Agreement, the Parties agree that if Sunshine pays or causes to be paid to CenterState the Termination Fee in accordance with [Section 7.02\(a\)](#), Sunshine (or any successor in interest of Sunshine) will not have any further obligations or liabilities to CenterState with respect to this Agreement or the transactions contemplated by this Agreement.

Section 7.03. **Effect of Termination.** Except as set forth in Section 7.02(c), termination of this Agreement will not relieve a breaching party from liability for any breach of any covenant, agreement, representation or warranty of this Agreement giving rise to such termination.

## ARTICLE VIII

### DEFINITIONS

Section 8.01. **Definitions.** The following terms are used in this Agreement with the meanings set forth below:

“**Acquisition Proposal**” has the meaning set forth in [Section 5.09\(a\)](#).

“**Acquisition Transaction**” has the meaning set forth in [Section 5.09\(a\)](#).

“**Affiliate**” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) means the possession, directly or indirectly, of power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the preamble to this Agreement.

“**Articles of Merger**” has the meaning set forth in [Section 1.05\(a\)](#).

“**ASC 320**” means GAAP Accounting Standards Codification Topic 320.

“**Associate**” when used to indicate a relationship with any Person means (1) any corporation or organization (other than Sunshine or any of its Subsidiaries) of which such Person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (2) any trust or other estate in which such Person has a substantial beneficial interest or serves as trustee or in a similar fiduciary capacity, or (3) any relative or family member of such Person.

“**ASTM**” has the meaning set forth in [Section 5.01\(w\)](#).

“**Bank Merger**” has the meaning set forth in [Section 1.03](#).

“**Bank Plan of Merger**” has the meaning set forth in [Section 1.03](#).

“**Bank Secrecy Act**” means the Bank Secrecy Act of 1970, as amended.

“**BOLF**” has the meaning set forth in [Section 3.27\(b\)](#).

[Table of Contents](#)

“**Book-Entry Shares**” means any non-certificated share held by book entry in Sunshine’s stock transfer book or in street name through a bank, broker or other nominee, which immediately prior to the Effective Time represents an outstanding share of Sunshine Common Stock.

“**Burdensome Conditions**” has the meaning set forth in [Section 5.06\(a\)](#).

“**Business Day**” means Monday through Friday of each week, except a legal holiday recognized as such by the U.S. government or any day on which banking institutions in the State of Florida are authorized or obligated to close.

“**CenterState**” has the meaning set forth in the preamble to this Agreement.

“**CenterState Average Stock Price**” means the average closing price of CenterState Common Stock as reported on the NASDAQ Stock Market for the ten (10) consecutive trading days ending on the Trading Day immediately prior to the Determination Date.” **CenterState Bank**” has the meaning set forth in [Section 1.03](#).

“**CenterState Common Stock**” means the common stock, \$0.01 par value per share, of CenterState.

“**CenterState Disclosure Schedule**” has the meaning set forth in [Section 4.01\(a\)](#).

“**CenterState Ratio**” has the meaning set forth in [Section 7.01\(i\)](#).

“**CenterState Regulatory Agreement**” has the meaning set forth in [Section 4.12](#).

“**CenterState SEC Reports**” has the meaning set forth in [Section 4.06\(b\)](#).

“**CenterState Subsidiary**” has the meaning set forth in [Section 4.02\(b\)](#).

“**Certificate**” means any outstanding certificate, which immediately prior to the Effective Time, represents an outstanding share of Sunshine Common Stock.

“**Claim**” has the meaning set forth in [Section 5.10\(a\)](#).

“**Closing**” and “**Closing Date**” have the meanings set forth in [Section 1.05\(b\)](#).

“**Code**” has the meaning set forth in the Recitals.

“**Community Reinvestment Act**” means the Community Reinvestment Act of 1977, as amended.

“**Control Group Liability**” has the meaning set forth in [Section 3.11\(e\)](#).

“**Controlled Group Members**” means any of Sunshine’s related organizations described in Code Sections 414(b), (c) or (m).

“**Covered Employees**” has the meaning set forth in [Section 5.11\(a\)](#).

“**D&O Insurance**” has the meaning set forth in [Section 5.10\(c\)](#).

“**Derivative Transaction**” means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, catastrophe events, weather-related events, credit-related events or conditions or any indexes, or any other similar transaction (including any option

## [Table of Contents](#)

with respect to any of these transactions) or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to any such transaction or transactions.

**“Determination Date”** means the later of (i) the date on which the last required Regulatory Approval is obtained without regard to any requisite waiting period, or (ii) the date on which the Requisite Sunshine Shareholder Approval is obtained.

**“Director Restrictive Covenant Agreements”** has the meaning set forth in [Section 5.17](#).

**“Dodd-Frank Act”** means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**“Effective Time”** has the meaning set forth in [Section 1.05\(a\)](#).

**“Enforceability Exceptions”** has the meaning set forth in [Section 3.04\(a\)](#).

**“Environmental Claim”** means any written complaint, summons, action, citation, notice of violation, directive, order, claim, litigation, investigation, judicial or administrative proceeding or action, judgment, lien, demand, letter or communication alleging non-compliance with any Environmental Law relating to any actual or threatened release of a Hazardous Substance.

**“Environmental Law”** means any federal, state or local Law, regulation, order, decree, permit, authorization, opinion or agency requirement relating to: (a) pollution, the protection or restoration of the indoor or outdoor environment, human health and safety, or natural resources, (b) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance, or (c) any injury or threat of injury to persons or property in connection with any Hazardous Substance. The term Environmental Law includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: (a) Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, as amended, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et seq.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 1101, et seq.; the Safe Drinking Water Act; 42 U.S.C. § 300f, et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651, et seq.; (b) common Law that may impose liability (including without limitation strict liability) or obligations for injuries or damages due to the presence of or exposure to any Hazardous Substance.

**“Equal Credit Opportunity Act”** means the Equal Credit Opportunity Act, as amended.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** has the meaning set forth in [Section 3.11\(f\)](#).

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

**“Exchange Agent”** means such exchange agent as may be designated by CenterState (which shall be CenterState’s transfer agent), to act as agent for purposes of conducting the exchange procedures described in [Article II](#).

**“Exchange Fund”** has the meaning set forth in [Section 2.07\(a\)](#).

[Table of Contents](#)

“**Expiration Date**” has the meaning set forth in [Section 7.01\(f\)](#).

“**Fair Credit Reporting Act**” means the Fair Credit Reporting Act, as amended.

“**Fair Housing Act**” means the Fair Housing Act, as amended.

“**FBCA**” has the meaning set forth in [Section 1.01](#).

“**FDIA**” means the Federal Deposit Insurance Act.

“**FDIC**” means the Federal Deposit Insurance Corporation.

“**Federal Reserve Board**” has the meaning set forth in [Section 3.05](#).

“**FFIEC**” means the Federal Financial Institutions Examination Council.

“**Final Index Price**” means the average of the Index Prices for the ten (10) Trading Days ending on the Trading Day immediately prior to the Determination Date.

“**FINRA**” has the meaning set forth in [Section 3.05](#).

“**Florida Courts**” has the meaning set forth in [Section 9.03\(c\)](#).

“**FRB**” means the Board of Governors of the Federal Reserve System.

“**FSA**” has the meaning set forth in [Section 5.11\(c\)](#).

“**GAAP**” means generally accepted accounting principles in the United States of America, applied consistently with past practice, including with respect to quantity and frequency.

“**Governmental Authority**” means any U.S. or foreign federal, state or local governmental commission, board, body, bureau or other regulatory authority or agency, including, without limitation, courts and other judicial bodies, bank regulators, insurance regulators, applicable state securities authorities, the SEC, the IRS or any self-regulatory body or authority, including any instrumentality or entity designed to act for or on behalf of the foregoing.

“**Hazardous Substance**” means any and all substances (whether solid, liquid or gas) defined, listed, or otherwise regulated as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, flammable or explosive materials, radioactive materials or words of similar meaning or regulatory effect under any present or future Environmental Law or that may have a negative impact on human health or the environment, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, mold, mycotoxins, microbial matter and airborne pathogens (naturally occurring or otherwise). Hazardous Substance does not include substances of kinds and in amounts ordinarily and customarily used or stored for the purposes of cleaning or other maintenance or operations.

“**Holder**” means the holder of record of shares of Sunshine Common Stock.

“**Home Mortgage Disclosure Act**” means Home Mortgage Disclosure Act of 1975, as amended.

“**Indemnified Parties**” and “**Indemnifying Party**” have the meanings set forth in [Section 5.10\(a\)](#).

“**Index Group**” means the NASDAQ Bank Index (Symbol: BANK).

## [Table of Contents](#)

“**Index Price**” means the closing price of the Index Group on any applicable Trading Day.

“**Index Ratio**” has the meaning set forth in [Section 7.01\(i\)](#).

“**Informational Systems Conversion**” has the meaning set forth in [Section 5.13](#).

“**Initial CenterState Market Price**” means \$23.93.

“**Initial Index Price**” means \$3,569.16.

“**Insurance Policies**” has the meaning set forth in [Section 3.27\(a\)](#).

“**Intellectual Property**” has the meaning set forth in [Section 3.19](#).

“**IRS**” means the United States Internal Revenue Service.

“**Knowledge**” or “**knowledge**” means, with respect to Sunshine, the actual knowledge, of the Persons set forth in [Sunshine Disclosure Schedule 3.01\(a\)](#), after due inquiry of their direct subordinates who would be likely to have knowledge of such matter, and with respect to CenterState, the actual knowledge of the Persons set forth in [CenterState Disclosure Schedule 4.01\(a\)](#), after reasonable inquiry under the circumstances.

“**Law**” means any federal, state, local or foreign Law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Authority that is applicable to the referenced Person.

“**Letter of Transmittal**” has the meaning set forth in [Section 2.06](#).

“**Liens**” means any charge, mortgage, pledge, security interest, restriction, claim, lien or encumbrance, conditional and installment sale agreement, charge, claim, option, rights of first refusal, encumbrances, or security interest of any kind or nature whatsoever (including any limitation on voting, sale, transfer or other disposition or exercise of any other attribute of ownership).

“**Loans**” has the meaning set forth in [Section 3.26\(a\)](#).

“**Material Adverse Effect**” with respect to any Party means (i) any change, development or effect that individually or in the aggregate is, or is reasonably likely to be, material and adverse to the condition (financial or otherwise), results of operations, liquidity, assets or deposit liabilities, properties, or business of such Party and its Subsidiaries, taken as a whole, or (ii) any change, development or effect that individually or in the aggregate would, or would be reasonably likely to, materially impair the ability of such Party to perform its obligations under this Agreement or otherwise materially impairs, or is reasonably likely to materially impair, the ability of such Party to consummate the Merger and the transactions contemplated hereby; *provided, however*, that, a Material Adverse Effect for purposes of this definition shall not be deemed to include the impact of (A) changes after the date of this Agreement in banking and similar Laws of general applicability or interpretations thereof by Governmental Authorities, (B) changes after the date of this Agreement in GAAP or regulatory accounting requirements applicable to banks or bank holding companies or savings and loan holding companies generally, (C) changes after the date of this Agreement in general economic or capital market conditions affecting financial institutions, including, but not limited to, changes in levels of interest rates generally, (D) the effects of any action or omission taken by Sunshine with the prior consent of CenterState, and vice versa, or as otherwise expressly permitted or contemplated by this Agreement, (E) any failure by Sunshine or CenterState to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (it being understood and agreed that the facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account

## [Table of Contents](#)

in determining whether there has been a Material Adverse Effect), (F) changes in the trading price or trading volume of CenterState Common Stock, and (G) the impact of this Agreement and the transactions contemplated hereby on relationships with customers or employees (including the loss of personnel subsequent to the date of this Agreement).

“**MGCL**” means the Maryland General Corporation Law.

“**Maximum D&O Tail Premium**” has the meaning set forth in [Section 5.10\(c\)](#).

“**Merger**” has the meaning set forth in the recitals.

“**Merger Consideration**” has the meaning set forth in [Section 2.01\(e\)](#).

“**Multiemployer Plan**” has the meaning set forth in [Section 3.11\(f\)](#).

“**Multiple Employer Plan**” has the meaning set forth in [Section 3.11\(f\)](#).

“**NASDAQ**” means The NASDAQ Global Select Market.

“**National Labor Relations Act**” means the National Labor Relations Act, as amended.

“**Notice of Superior Proposal**” has the meaning set forth in [Section 5.09\(e\)](#).

“**Notice Period**” has the meaning set forth in [Section 5.09\(e\)](#).

“**OCC**” means the Office of the Comptroller of the Currency.

“**Option Exchange Ratio**” has the meaning set forth in [Section 2.02\(a\)](#).

“**Ordinary Course of Business**” means the ordinary, usual and customary course of business of Sunshine and its Subsidiaries consistent with past practice, including with respect to frequency and amount.

“**OREO**” has the meaning set forth in [Section 3.26\(b\)](#).

“**Party**” or “**Parties**” have the meaning set forth in the preamble.

“**PBGC**” has the meaning set forth in [Section 3.11\(e\)](#).

“**Permitted Encumbrances**” has the meaning set forth in [Section 3.18](#).

“**Person**” means any individual, bank, corporation, partnership, association, joint-stock company, business trust, limited liability company, unincorporated organization or other organization or firm of any kind or nature.

“**Phase I**” has the meaning set forth in [Section 5.01\(w\)](#).

“**Plan of Merger**” shall be the plan of merger to be filed with the Florida Secretary of State in accordance with the FBCA.

“**Proxy Statement-Prospectus**” means the proxy statement and prospectus and other proxy solicitation materials of Sunshine relating to the Sunshine Meeting.

“**Registration Statement**” means the Registration Statement on Form S-4 to be filed with the SEC by CenterState in connection with the issuance of shares of CenterState Common Stock in the Merger (including the Proxy Statement-Prospectus constituting a part thereof).



[Table of Contents](#)

“**Regulatory Agencies**” has the meaning set forth in [Section 3.06\(a\)](#).

“**Regulatory Approval**” has the meaning set forth in [Section 3.05](#).

“**Requisite Sunshine Shareholder Approval**” means the adoption of this Agreement and the Plan of Merger by a vote of the majority of the votes entitled to be cast at the Sunshine Meeting.

“**Regulatory Approvals**” has the meaning set forth in [Section 3.05](#).

“**Rights**” means, with respect to any Person, warrants, options, rights, convertible securities and other arrangements or commitments which obligate the Person to issue or dispose of any of its capital stock or other ownership interests.

“**S-4**” has the meaning set forth in [Section 3.05](#).

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002, as amended.

“**Savings Bank**” has the meaning set forth in [Section 1.03](#).

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Software**” means computer programs, whether in source code or object code form (including any and all software implementation of algorithms, models and methodologies), databases and compilations (including any and all data and collections of data), and all documentation (including user manuals and training materials) related to the foregoing.

“**Starting Date**” shall mean the last trading day immediately preceding the date of the first public announcement of entry into this Agreement.

“**Subsidiary**” means, with respect to any party, any corporation or other entity of which a majority of the capital stock or other ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such party. Any reference in this Agreement to a Subsidiary of Sunshine means, unless the context otherwise requires, any current or former Subsidiary of Sunshine.

“**Sunshine**” has the meaning set forth in the preamble to this Agreement.

“**Sunshine Articles**” has the meaning set forth in [Section 3.02\(a\)](#).

“**Sunshine Benefit Plans**” has the meaning set forth in [Section 3.11\(a\)](#).

“**Sunshine Bylaws**” has the meaning set forth in [Section 3.02\(a\)](#).

“**Sunshine Common Stock**” means the common stock, \$0.01 par value per share, of Sunshine.

“**Sunshine Contract**” has the meaning set forth in [Section 3.13\(a\)](#).

“**Sunshine Disclosure Schedule**” has the meaning set forth in [Section 3.01\(a\)](#).

“**Sunshine Equity Awards**” collectively refers to Sunshine Restricted Stock and Sunshine Stock Options.

[Table of Contents](#)

“**Sunshine ESOP**” means the Savings Bank Employee Stock Ownership Plan.

“**Sunshine ESOP Loan**” has the meaning set forth in [Section 5.11\(i\)](#).

“**Sunshine Expenses**” has the meaning set forth in [Section 5.20](#).

“**Sunshine Investment Securities**” means the investment securities of Sunshine and its Subsidiaries.

“**Sunshine Lease Properties**” has the meaning set forth in [Section 3.18](#).

“**Sunshine Loan Property**” means any real property (including buildings or other structures) in which Sunshine or any of its Subsidiaries holds a security interest, Lien or a fiduciary or management role.

“**Sunshine Meeting**” has the meaning set forth in [Section 5.04](#).

“**Sunshine Owned Properties**” has the meaning set forth in [Section 3.18](#).

“**Sunshine Qualified Plans**” has the meaning set forth in [Section 3.11\(d\)](#).

“**Sunshine Real Property**” has the meaning set forth in [Section 3.18](#).

“**Sunshine Recommendation**” has the meaning set forth in [Section 5.04](#).

“**Sunshine Regulatory Agreement**” has the meaning set forth in [Section 3.14](#).

“**Sunshine Representatives**” has the meaning set forth in [Section 5.09\(a\)](#).

“**Sunshine Restricted Stock**” has the meaning set forth in [Section 2.02\(c\)](#).

“**Sunshine Risk Management Instruments**” has the meaning set forth in [Section 3.15](#).

“**Sunshine SEC Reports**” has the meaning set forth in [Section 3.06\(b\)](#).

“**Sunshine Stock Option**” has the meaning set forth in [Section 2.02\(a\)](#).

“**Sunshine Stock Plans**” means all equity plans of Sunshine or any Subsidiary, including Sunshine 2015 Equity Incentive Plan, and any sub-plans adopted thereunder, each as amended to date.

“**Sunshine Subsequent Determination**” has the meaning set forth in [Section 5.09\(e\)](#).

“**Sunshine Subsidiary**” has the meaning set forth in [Section 3.02\(b\)](#).

“**Superior Proposal**” has the meaning set forth in [Section 5.09\(b\)](#).

“**Surviving Bank**” has the meaning set forth in [Section 1.03](#).

“**Surviving Entity**” has the meaning set forth in the Recitals.

“**Tax**” and “**Taxes**” has the meaning set forth in [Section 3.10\(b\)](#).

“**Tax Returns**” has the meaning set forth in [Section 3.10\(c\)](#).

“**Termination Fee**” has the meaning set forth in [Section 7.02\(a\)](#).

[Table of Contents](#)

“*The date hereof*” or “*the date of this Agreement*” means the date first set forth above in the preamble to this Agreement.

“*Trading Day*” means any day on which the NASDAQ is open for trading; provided that a “Trading Day” only includes those days that have a scheduled closing time of 4:00 p.m. (Eastern Time).

“*Treasury Regulations*” means the final and temporary regulations promulgated under the Code by the United States Department of the Treasury.

“*Truth in Lending Act*” means the Truth in Lending Act of 1968, as amended.

“*USA PATRIOT Act*” means the USA PATRIOT Act of 2001, Public Law 107-56, and the regulations promulgated thereunder.

“*Voting Agreement*” or “*Voting Agreements*” shall have the meaning set forth in the recitals to this Agreement.

## ARTICLE IX

### MISCELLANEOUS

Section 9.01. Survival. No representations, warranties, agreements or covenants contained in this Agreement shall survive the Effective Time other than this Section 9.01 and any other agreements or covenants contained herein that by their express terms are to be performed after the Effective Time, including, without limitation, Section 5.10 of this Agreement.

Section 9.02. Waiver; Amendment. Prior to the Effective Time and to the extent permitted by applicable Law, any provision of this Agreement may be (a) waived by the Party benefited by the provision, provided such waiver is in writing and signed by such Party, or (b) amended or modified at any time, by an agreement in writing among the Parties executed in the same manner as this Agreement, except that after the Sunshine Meeting no amendment shall be made which by Law requires further approval by the shareholders of Sunshine without obtaining such approval.

Section 9.03. Governing Law; Waiver of Right to Trial by Jury; Venue.

(a) This Agreement shall be governed by, and interpreted and enforced in accordance with, the internal, substantive laws of the State of Florida, without regard for conflict of law provisions.

(b) Each Party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such Party hereby irrevocably and unconditionally waives any right such Party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement, or the transactions contemplated by this Agreement. Each Party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) each Party understands and has considered the implications of this waiver, (iii) each Party makes this waiver voluntarily, and (iv) each Party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.03.

(c) Each Party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of Florida (the “*Florida Courts*”), and, solely in connection with

[Table of Contents](#)

claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Florida Courts, (ii) waives any *objection to laying venue in any such action or proceeding in the Florida Courts*, (iii) *waives any objection that the Florida Courts are an inconvenient forum or do not have jurisdiction over any party and* (iv) *agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 9.05.*

Section 9.04. Expenses. Except as otherwise provided in Section 7.02, each Party will bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, including fees and expenses of its own financial consultants, accountants and counsel. Nothing contained in this Agreement shall limit either Party's rights to recover any liabilities or damages arising out of the other Party's willful breach of any provision of this Agreement.

Section 9.05. Notices. All notices, requests and other communications hereunder to a Party, shall be in writing and shall be deemed properly given if delivered (a) personally, (b) by registered or certified mail (return receipt requested), with adequate postage prepaid thereon, (c) by properly addressed electronic mail delivery (with confirmation of delivery receipt), or (d) by reputable courier service to such Party at its address set forth below, or at such other address or addresses as such Party may specify from time to time by notice in like manner to the parties hereto. All notices shall be deemed effective upon delivery.

- (a) if to CenterState, to:

CenterState Banks, Inc.  
1101 First Street South  
Winter Haven, FL 33880  
Attn: John C. Corbett  
Beth DeSimone  
E-mail: jcorbett@centerstatebank.com  
bdesimone@centerstatebank.com

with a copy (which shall not constitute notice to CenterState) to:

Smith Mackinnon, PA  
255 South Orange Avenue, Suite 1200  
Orlando, FL 32801  
Attn: John P. Greeley, Esq.  
Email: jpg7300@aol.com

- (b) if to Sunshine, to:

Sunshine Bancorp, Inc.  
102 West Baker Street  
Plant City, FL 33563  
Attn: Andrew S. Samuel  
E-mail: a.samuel@mysunshinebank.com

[Table of Contents](#)

with a copy (which shall not constitute notice to Sunshine) to:

Luse Gorman, PC  
5335 Wisconsin Avenue, N.W., Suite 780  
Washington, D.C. 20015  
Attn: Eric Luse, Esq.  
Benjamin Azoff, Esq.  
E-mail: eluse@luselaw.com  
bazoff@luselaw.com

Section 9.06. Entire Understanding; No Third Party Beneficiaries. This Agreement, including the Exhibits and Disclosure Schedules hereto, represents the entire understanding of the Parties and thereto with reference to the transactions contemplated hereby, and this Agreement supersedes any and all other oral or written agreements heretofore made. Except for the Indemnified Parties' rights under Section 5.10, CenterState and Sunshine hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other Party, in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person (including any person or employees who might be affected by Section 5.11), other than the Parties, any rights or remedies hereunder, including, the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations between the Parties and are for the sole benefit of the Parties. Consequently, Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 9.07. Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the Parties shall use their commercially reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

Section 9.08. Enforcement of the Agreement. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction without having to show or prove economic damages and without the requirement of posting a bond, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 9.09. Interpretation.

(a) When a reference is made in this Agreement to sections, exhibits or schedules, such reference shall be to a section of, or exhibit or schedule to, this Agreement unless otherwise indicated. The table of contents and captions and headings contained in this Agreement are included solely for convenience of reference; if there is any conflict between a caption or heading and the text of this Agreement, the text shall control. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(b) The Parties have participated jointly in the negotiation and drafting of this Agreement and the other agreements and documents contemplated herein. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any other agreement or document contemplated herein, this Agreement and such other agreements or documents shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorizing any of the provisions of this Agreement or any other agreements or documents contemplated herein.

[Table of Contents](#)

(c) Any reference contained in this Agreement to specific statutory or regulatory provisions or to any specific Governmental Authority shall include any successor statute or regulation, or successor Governmental Authority, as the case may be. Unless the context clearly indicates otherwise, the masculine, feminine, and neuter genders will be deemed to be interchangeable, and the singular includes the plural and vice versa.

(d) Unless otherwise specified, the references to "Section" and "Article" in this Agreement are to the Sections and Article of this Agreement. When used in this Agreement, words such as "herein", "hereinafter", "hereof", "hereto", and "hereunder" refer to this Agreement as a whole, unless the context clearly requires otherwise.

Section 9.10. Assignment. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Party, and any purported assignment in violation of this Section 9.10 shall be void. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 9.11. Counterparts. This Agreement may be executed and delivered by facsimile or by electronic data file and in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. Signatures delivered by facsimile or by electronic data file shall have the same effect as originals.

*[Signature Page Follows]*

A-60

[Table of Contents](#)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

**CENTERSTATE BANKS, INC.**

By: /s/ John C. Corbett  
John C. Corbett  
President and Chief Executive Officer

**SUNSHINE BANCORP, INC.**

By: /s/ Andrew S. Samuel  
Andrew S. Samuel  
President and Chief Executive Officer

[SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER]

[Table of Contents](#)**EXHIBIT A****SHAREHOLDER VOTING AGREEMENT**

This Shareholder Voting Agreement (this “Agreement”) is entered into as of the 12<sup>th</sup> day of August, 2017, by and between CenterState Banks, Inc., a Florida corporation (“CenterState”), and the undersigned holder (“Shareholder”) of Common Stock (as defined herein).

**RECITALS**

**WHEREAS**, as of the date hereof, Shareholder, either in his or her sole capacity or jointly, is entitled to dispose of (or to direct the disposition of) and to vote (or to direct the voting of) the number of shares of common stock, \$0.01 par value per share (the “Common Stock”), of Sunshine Bancorp, Inc. (“Company”), indicated on the signature page of this Agreement under the heading “Total Number of Shares of Common Stock Subject to this Agreement” (such shares of Common Stock, which shall exclude: (i) any shares of Common Stock underlying any outstanding equity rights, together with any other shares of Common Stock the voting power over which is acquired by Shareholder during the period from and including the date hereof through and including the date on which this Agreement is terminated in accordance with its terms; and (ii), any securities beneficially owned by the undersigned as a trustee or fiduciary where the Shareholder does not have voting power, are collectively referred to herein as the “Shares”);

**WHEREAS**, CenterState and Company propose to enter into an Agreement and Plan of Merger, dated as of the date hereof (the “Merger Agreement”; for purposes of this Agreement, capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Merger Agreement), pursuant to which, among other things, Company will merge with and into CenterState (the “Merger”); and

**WHEREAS**, as a condition to the willingness of CenterState to enter into the Merger Agreement, Shareholder is executing this Agreement.

**NOW, THEREFORE**, in consideration of, and as a material inducement to, CenterState entering into the Merger Agreement and proceeding with the transactions contemplated thereby, and in consideration of the expenses incurred and to be incurred by CenterState in connection therewith, Shareholder and CenterState, intending to be legally bound, hereby agree as follows:

1. Agreement to Vote Shares. Shareholder agrees that, while this Agreement is in effect, at any meeting of shareholders of Company, however called, or at any adjournment thereof, or in any other circumstances in which Shareholder is entitled to vote, consent or give any other approval, except as otherwise agreed to in writing in advance by CenterState, Shareholder shall:

- (a) appear at each such meeting or otherwise cause the Shares to be counted as present thereat for purposes of calculating a quorum; and
- (b) vote (or cause to be voted), in person or by proxy, all the Shares as to which Shareholder has, directly or indirectly, the right to vote or direct the voting, (i) in favor of adoption and approval of the Merger Agreement and the transactions contemplated thereby (including, without limitation, any amendments or modifications of the terms thereof adopted in accordance with the terms thereof); (ii) against any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Company contained in the Merger Agreement or of Shareholder contained in this Agreement; and (iii) against any Acquisition Proposal or any other action, agreement or transaction that is intended, or could reasonably be expected, to impede, interfere or be inconsistent with, delay, postpone,



[Table of Contents](#)

discourage or materially and adversely affect consummation of the transactions contemplated by the Merger Agreement or this Agreement.

Shareholder further agrees not to vote or execute any written consent to rescind or amend in any manner any prior vote or written consent, as a shareholder of Company, to approve or adopt the Merger Agreement unless this Agreement shall have been terminated in accordance with its terms.

2. No Transfers. While this Agreement is in effect and prior to any meeting of shareholders of Company called in connection with the Merger, Shareholder agrees not to, directly or indirectly, sell, transfer, pledge, assign or otherwise dispose of, or enter into any contract option, commitment or other arrangement or understanding with respect to the sale, transfer, pledge, assignment or other disposition of, any of the Shares; provided, however, that the following transfers shall be permitted: (a) transfers by will or operation of law, in which case this Agreement shall bind the transferee; (b) transfers pursuant to any pledge agreement, subject to the pledgee agreeing in writing, prior to such transfer, to be bound by the terms of this Agreement; (c) transfers in connection with estate and tax planning purposes, including transfers to relatives, trusts and charitable organizations, subject to each transferee agreeing in writing, prior to such transfer, to be bound by the terms of this Agreement; (d) the disposition or surrender of Shares in connection with the vesting, settlement or exercise of equity rights as permitted by the Merger Agreement; (e) to any immediate family member of the undersigned, or to a trust for the benefit of the undersigned or his or her immediate family members or upon the undersigned's death; provided that, as a precondition to such permitted transfer, the transferee has agreed in writing to abide by the terms of this Agreement in a form reasonably satisfactory to CenterState; and (f) such transfers as CenterState may otherwise permit in its sole discretion. Any transfer or other disposition in violation of the terms of this Section 2 shall be null and void.

3. Representations and Warranties of Shareholder. Shareholder represents and warrants to and agrees with CenterState as follows:

- (a) Shareholder has all requisite capacity and authority to enter into and perform his, her or its obligations under this Agreement.
- (b) This Agreement has been duly executed and delivered by Shareholder, and assuming the due authorization, execution and delivery by CenterState, constitutes the valid and legally binding obligation of Shareholder enforceable against Shareholder in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws of general applicability relating to or affecting the rights of creditors generally and subject to general principles of equity.
- (c) The execution and delivery of this Agreement by Shareholder does not, and the performance by Shareholder of his, her or its obligations hereunder and the consummation by Shareholder of the transactions contemplated hereby will not, violate or conflict with, or constitute a default under, any agreement, instrument, contract or other obligation or any order, arbitration award, judgment or decree to which Shareholder is a party or by which Shareholder is bound, or any statute, rule or regulation to which Shareholder is subject or, in the event that Shareholder is a corporation, limited liability company, partnership, trust or other entity, any charter, bylaw or other organizational document of Shareholder.
- (d) Shareholder is the direct or joint owner of the Shares. Shareholder does not have sole or shared voting or dispositive power over any shares of capital stock of Company other than the Shares or any other securities convertible into or exercisable or exchangeable for such capital stock, other than any Company Stock Options. Shareholder has the right to vote the Shares, and none of the Shares is subject to any voting trust or other agreement, arrangement or restriction with respect to the voting of the Shares, except as contemplated by this Agreement. The Shares do not include shares over which Shareholder exercises control in a fiduciary capacity for any other person or entity that is not an Affiliate of Shareholder, and no representation by Shareholder is made with respect thereto.

[Table of Contents](#)

4. No Solicitation. From and after the date hereof until the termination of this Agreement pursuant to Section 6 hereof, Shareholder, in his, her or its capacity as a shareholder of Company, shall not, nor shall Shareholder in such capacity authorize any shareholder, member, partner, officer, director, advisor or representative of Shareholder or any of his, her or its affiliates to (and, to the extent applicable to Shareholder, such Shareholder shall use commercially reasonable efforts to not permit any of his, her or its representatives or affiliates to), (a) initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an Acquisition Proposal, (b) participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish, or otherwise afford access, to any Person (other than CenterState) any information or data with respect to Company or otherwise relating to an Acquisition Proposal, (c) enter into any agreement, agreement in principle, letter of intent, memorandum of understanding or similar arrangement with respect to an Acquisition Proposal, (d) solicit proxies with respect to an Acquisition Proposal (other than the Merger and the Merger Agreement) or otherwise encourage or assist any party in taking or planning any action that would reasonably be expected to compete with, restrain or otherwise serve to interfere with or inhibit the timely consummation of the Merger in accordance with the terms of the Merger Agreement, or (e) initiate a shareholders' vote or action by consent of Company's shareholders with respect to an Acquisition Proposal.

5. Specific Performance; Remedies; Attorneys' Fees. Shareholder acknowledges that it is a condition to the willingness of CenterState to enter into the Merger Agreement that Shareholder execute and deliver this Agreement and that it will be impossible to measure in money the damage to CenterState if Shareholder fails to comply with the obligations imposed by this Agreement and that, in the event of any such failure, CenterState will not have an adequate remedy at law or in equity. Accordingly, Shareholder agrees that injunctive relief or other equitable remedy is the appropriate remedy for any such failure and will not oppose the granting of such relief on the basis that CenterState has an adequate remedy at law. In addition, after notice to Shareholder, CenterState shall have the right to inform any third party that CenterState reasonably believes to be, or to be contemplating, participating with Shareholder or receiving from Shareholder assistance in violation of this Agreement, of the terms of this Agreement and of the rights of CenterState hereunder, and that participation by any such third party with Shareholder in activities in violation of Shareholder's agreement with CenterState set forth in this Agreement may give rise to claims by CenterState against such third party. All expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such expenses.

6. Term of Agreement; Termination. The term of this Agreement shall commence on the date hereof. This Agreement may be terminated at any time prior to consummation of the transactions contemplated by the Merger Agreement by the written consent of the parties hereto, and this Agreement shall be automatically terminated upon: (i) termination of the Merger Agreement, or (ii) the consummation of the Merger; provided however, that the transfer restrictions in Section 2 hereof shall be automatically terminated upon the receipt of requisite shareholder approval of Sunshine. Upon such termination, no party shall have any further obligations or liabilities hereunder; provided, however, that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

7. Entire Agreement; Amendments. This Agreement supersedes all prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof and contains the entire agreement among the parties with respect to the subject matter hereof. This Agreement may not be amended, supplemented or modified, and no provision hereof may be modified or waived, except by an instrument in writing signed by each party hereto. No waiver of any provision hereof by either party shall be deemed a waiver of any other provision hereof by any such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

8. Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and the parties shall use their

[Table of Contents](#)

commercially reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purpose and intents of this Agreement.

9. Capacity as Shareholder. This Agreement shall apply to Shareholder solely in his, her or its capacity as a shareholder of Company, and it shall not apply in any manner to Shareholder in any capacity as a director, officer or employee of Company or in any other capacity. For avoidance of doubt, the parties acknowledge and agree that nothing in this Agreement shall limit or restrict Shareholder or any of his, her or its affiliates who is or becomes during the term hereof a member of the Board of Directors or an officer of Company or any of its Subsidiaries from acting, omitting to act or refraining from taking any action, solely in such person's capacity as a member of the Board of Directors or as an officer of Company (or as an officer or director of any of its Subsidiaries) consistent with his or her fiduciary duties in such capacity under applicable law, including under Section 5.09 of the Merger Agreement.

10. Governing Law; Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Florida, without regard to any applicable conflicts of law principles or any other principle that could require the application of the law of any other jurisdiction. The sole and exclusive venue for any civil action, counterclaim, proceeding, or litigation arising out of or relating to this Agreement shall be the courts of record of the State of Florida in Polk County or the United States District Court, Middle District of Florida. Each party consents to the jurisdiction of such Florida Court in any such civil action, counterclaim, proceeding, or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding, or litigation in such Florida Court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

11. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT. EACH OF THE PARTIES HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.

12. Further Assurances. Shareholder agrees not to commence or participate in, and to take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against CenterState, Company or any of their respective successors relating to the negotiation, execution or delivery of this Agreement or the Merger Agreement or the consummation of the Merger. From time to time prior to the termination of this Agreement, at CenterState's request and without further consideration, Shareholder shall execute and deliver such additional documents and take all such further action as may be reasonably necessary or desirable to effect the actions and consummate the transactions contemplated by this Agreement.

13. Disclosure. To the extent such information is required to be included, Shareholder hereby permits CenterState to publish and disclose in the Proxy Statement-Prospectus and S-4 (including, without limitation, all related documents and schedules filed with the Securities and Exchange Commission) his, her or its identity and ownership of shares of Common Stock and the nature of Shareholder's commitments, arrangements and understandings pursuant to this Agreement.

14. Notices. Any notice, consent, demand, request or other communication given to a party hereto in connection with this Agreement shall be in writing and shall be deemed to have been given to such party (i) when

delivered personally to such party, or (ii) provided that a written acknowledgment of receipt is obtained, five (5) days after being sent by prepaid certified or registered mail, or (iii) two (2) days after being sent by a nationally recognized overnight courier, to the address (if any) specified below for such party (or to such other address as such party shall have specified by ten (10) days' advance notice given in accordance with this Section 15).

If to the Shareholder: \_\_\_\_\_ At the address of the Shareholder set forth the signature of the Shareholder on the signature page of this Agreement.

[Signature page follows.]

[Table of Contents](#)

**IN WITNESS WHEREOF**, CenterState has caused this Agreement to be duly executed, and Shareholder has duly executed this Agreement, all as of the day and year first above written.

**CENTERSTATE BANKS, INC.**

By: \_\_\_\_\_  
John C. Corbett  
President and Chief Executive Officer

**SHAREHOLDER:**

Printed Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Total Number of Shares of Common Stock  
Subject to this Agreement: \_\_\_\_\_

[Table of Contents](#)**EXHIBIT B**

**PLAN OF MERGER  
SUNSHINE BANCORP, INC.  
with and into  
CENTERSTATE BANKS, INC.**

Pursuant to this Plan of Merger dated as of August 12, 2017, Sunshine Bancorp, Inc., a Maryland corporation ("Sunshine"), shall be merged with and into CenterState Banks, Inc., a Florida corporation ("CenterState").

**SECTION 1  
DEFINITIONS**

1.1 Effective Time. "Effective Time" shall mean the date and time on which the Merger contemplated by this Plan of Merger becomes effective pursuant to the laws of the States of Florida and Maryland, as determined in accordance with Section 2.2 of this Plan of Merger.

1.2 Merger. "Merger" shall refer to the merger of Sunshine with and into CenterState, as provided in Section 2.1 of this Plan of Merger.

**SECTION 2  
TERMS OF MERGER**

2.1 Merger. Subject to the terms and conditions set forth in this Plan of Merger, at the Effective Time, Sunshine shall be merged with and into CenterState in accordance with the Florida Business Corporation Act and the Maryland General Corporation Law. CenterState shall be the surviving corporation resulting from the Merger (the "Surviving Corporation") and shall continue to exist and to be governed by the laws of the State of Florida under the corporate name "CenterState Banks, Inc." The Surviving Corporation shall assume all of the liabilities of Sunshine.

2.2 Effective Time. The Merger contemplated by this Plan of Merger shall be effective at the date and time set forth in the Articles of Merger filed with the Secretary of State of Florida and with the Maryland State Department of Assessments and Taxation.

2.3 Articles of Incorporation and Bylaws. At the Effective Time, the articles of incorporation of CenterState in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Corporation until thereafter amended in accordance with applicable law. The amended and restated bylaws of CenterState in effect immediately prior to the Effective Time shall be the amended and restated bylaws of the Surviving Corporation until thereafter amended in accordance with applicable law and the terms of such amended and restated bylaws.

2.5 Board of Directors. The directors of CenterState shall, from and after the Effective Time, continue as the directors of the Surviving Corporation until their successors shall have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and amended and restated bylaws of the Surviving Corporation.

2.6 Officers. The officers of CenterState shall, from and after the Effective Time, continue as the officers of the Surviving Corporation until their successors shall have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and amended and restated bylaws of the Surviving Corporation.

[Table of Contents](#)

SECTION 3  
MANNER OF CONVERTING SHARES

Each share of CenterState common stock that is issued and outstanding immediately prior to the Effective Time shall remain outstanding following the Effective Time and shall be unchanged by the Merger

Each share of common stock of Sunshine owned directly by CenterState, Sunshine or any of their respective subsidiaries (other than shares in trust accounts, managed accounts and the like for the benefit of customers or shares held as collateral for outstanding debt previously contracted) immediately prior to the Effective Time, and each share of Sunshine common stock that is remitted to Sunshine prior to the Effective Time for purposes of repaying amounts owed by the Sunshine Bank Employee Stock Ownership Plan to Sunshine, shall be cancelled and retired at the Effective Time without any conversion thereof, and no payment shall be made with respect thereto.

Each share of common stock of Sunshine issued and outstanding immediately prior to the Effective Time (other than shares described in Section 3 above), shall be converted into the right to receive 0.89 shares of CenterState common stock (the "Merger Consideration"), and any cash in lieu of fractional shares. CenterState shall pay or cause to be paid to each holder of a fractional share of CenterState common stock, rounded to the nearest one-hundredth of a share, an amount of cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in CenterState common stock to which such holder would otherwise be entitled by the average closing price of CenterState common stock as reported on the Nasdaq Stock Market for the ten consecutive trading days ending on the trading day immediately prior to the later of (i) the day on which the last required regulatory approval for consummation of the Merger is obtained without regard to any requisite waiting period, or (ii) the date on which Sunshine shareholders approve the Merger.

If the number of shares of CenterState common stock or Sunshine common stock issued and outstanding prior to the Effective Time shall be increased or decreased as a result of a stock split, stock combination, stock dividend, recapitalization or similar transaction, with respect to such stock, and the record date therefor shall be prior to the Effective Time, the Merger Consideration shall be proportionately adjusted as necessary to preserve the relative economic benefit to CenterState and Sunshine.

SECTION 4  
STOCK-BASED AWARDS

Each valid option to purchase shares of Sunshine common stock (each, a "Sunshine Stock Option"), outstanding and unexercised immediately prior to the Effective Time shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become fully vested and be converted into an option to purchase that number of shares of CenterState common stock as shall equal the product obtained by multiplying the Merger Consideration (the "Option Exchange Ratio") by that number of shares of Sunshine common stock which such option entitled the holder thereof to purchase (rounded to the nearest whole share), and at an exercise price equal to the quotient obtained by dividing the exercise price per share of the Sunshine Stock Option by the Option Exchange Ratio (rounded to the nearest cent); *provided, however*, that if the Merger Consideration is modified as a result of the application of Section 3, then the Option Exchange Ratio shall be appropriately adjusted in order to reflect the impact of such modification to the Merger Consideration.

At the Effective Time, each share of Sunshine restricted stock outstanding immediately prior thereto shall vest in full and the restrictions thereon shall lapse, and shall be treated as issued and outstanding shares of Sunshine common stock for purposes of this Plan of Merger.

[Table of Contents](#)

SECTION 5  
MISCELLANEOUS

5.1 Further Assurances. Each party to this Plan of Merger agrees to do such things as may be reasonably requested by the other party in order to more effectively consummate or document the transactions contemplated by this Plan of Merger.

[Signatures on Following Page]



[Table of Contents](#)

IN WITNESS WHEREOF, the undersigned corporations have caused this Plan of Merger to be executed by their duly authorized officers as of the date first above written.

**SUNSHINE BANCORP, INC.**

By: \_\_\_\_\_  
Andrew S. Samuel  
President and Chief Executive Officer

**CENTERSTATE BANKS, INC.**

By: \_\_\_\_\_  
John C. Corbett  
President and Chief Executive Officer

[Table of Contents](#)**EXHIBIT C****BANK PLAN OF MERGER AND MERGER AGREEMENT**

**SUNSHINE BANK  
with and into  
CENTERSTATE BANK, N.A.  
under the charter of  
CENTERSTATE BANK, N.A.  
under the title of  
“CENTERSTATE BANK, N.A.”  
 (“Resulting Bank”)**

THIS BANK PLAN OF MERGER AND MERGER AGREEMENT (the “Agreement”) is made this 12<sup>th</sup> day of August, 2017, between CenterState Bank, N.A. (hereinafter referred to as “CenterState Bank” and the “Resulting Bank”), a national banking association, with its main office located at 1101 First Street South, Winter Haven, Florida 33880; and Sunshine Bank (hereinafter referred to as the “Sunshine Bank”), a federal stock savings bank, with its main office located at 102 West Baker Street, Plant City, Florida 33563. Collectively, CenterState Bank and Sunshine Bank are referred to as the “Banks”.

WHEREAS, at least a majority of the entire Board of Directors of CenterState Bank has approved this Agreement and authorized its execution pursuant to the authority given by and in accordance with the provisions of The National Bank Act (the “Act”);

WHEREAS, at least a majority of the entire Board of Directors of Sunshine Bank has approved this Agreement and authorized its execution in accordance with applicable law; and

WHEREAS, CenterState Banks, Inc. (“CenterState”), which owns all of the outstanding shares of CenterState Bank, N.A., and Sunshine Bancorp, Inc. (“Sunshine”) which owns all of the outstanding shares of Sunshine Bank, have entered into an Agreement and Plan of Merger (the “Holding Company Agreement”) which, among other things, contemplates the merger of Sunshine with and into CenterState, all subject to the terms and conditions of such Holding Company Agreement (the “HC Merger”); and

WHEREAS, CenterState, as the sole shareholder of CenterState Bank, and Sunshine, as the sole shareholder of Sunshine Bank, have approved this Agreement; and

WHEREAS, each of the Banks is entering this Agreement to provide for the merger of Sunshine Bank with and into CenterState Bank, with CenterState Bank being the surviving bank of such merger transaction (the “Bank Merger”), subject to, and as soon as practicable following, the closing of the HC Merger.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and agreements herein contained, the parties hereto agree as follows:

**SECTION 1**

Subject to the terms and conditions of this Agreement, at the Effective Time (as defined below) and pursuant to the Act, Sunshine Bank shall be merged with and into CenterState Bank in the Bank Merger. CenterState Bank shall continue its existence as the surviving bank and Resulting Bank under the charter of the Resulting Bank and the separate corporate existence of Sunshine Bank shall cease. The closing of the Bank

[Table of Contents](#)

Merger shall become effective at the time specified in the certificate of merger issued by the Office of the Comptroller of the Currency (the "OCC") in connection with the Bank Merger (such time when the Bank Merger becomes effective, the "Effective Time").

#### SECTION 2

The name of the Resulting Bank shall be "CenterState Bank, N.A.," or such other name as such bank may adopt prior to the Effective Time. The Resulting Bank will exercise trust powers.

#### SECTION 3

The business of the Resulting Bank from and after the Effective Time shall be that of a national banking association. This business of the Resulting Bank shall be conducted at its main office which shall be located at 1101 First Street South, Winter Haven, Florida 33880, as well as at its legally established branches and at the banking offices of Sunshine Bank that are acquired in the Bank Merger (which such banking offices are set forth on Exhibit A to this Agreement and shall continue to conduct operations after the closing of the Bank Merger as branch offices of CenterState Bank). The savings accounts of the Resulting Bank will be issued by the Resulting Bank in accordance with the Act.

#### SECTION 4

At the Effective Time, the amount of issued and outstanding capital stock of the Resulting Bank shall be the amount of capital stock of CenterState Bank issued and outstanding immediately prior to the Effective Time. Preferred stock shall not be issued by the Resulting Bank.

#### SECTION 5

All assets of Sunshine Bank and the Resulting Bank, as they exist at the Effective Time, shall pass to and vest in the Resulting Bank without any conveyance or other transfer; and the Resulting Bank shall be considered the same business and corporate entity as each constituent bank with all the rights, powers and duties of each constituent bank, and the Resulting Bank shall be responsible for all the liabilities of every kind and description, of Sunshine Bank and the Resulting Bank existing as of the Effective Time, all in accordance with the provisions of the Act.

#### SECTION 6

CenterState Bank and Sunshine Bank shall contribute to the Resulting Bank acceptable assets having a book value, over and above liability to its creditors, in such amounts as set forth on the books of CenterState Bank and Sunshine Bank at the Effective Time.

#### SECTION 7

At the Effective Time, each outstanding share of common stock of Sunshine Bank shall be cancelled with no consideration being paid therefor.

Outstanding certificates representing shares of the common stock of Sunshine Bank shall, at the Effective Time, be cancelled.

[Table of Contents](#)SECTION 8

Upon the Effective Time, the then outstanding shares of CenterState Bank's common stock shall continue to remain outstanding shares of CenterState Bank's common stock, all of which shall continue to be owned by CenterState.

SECTION 9

The directors of the Resulting Bank following the Effective Time shall consist of those directors of CenterState Bank as of the Effective Time who shall serve until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of association and bylaws of the Resulting Bank. The executive officers of the Resulting Bank following the Effective Time shall consist of those executive officers of CenterState Bank as of the Effective Time, each of whom shall serve until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of association and bylaws of the Resulting Bank.

SECTION 10

Upon the Effective Time, the Resulting Bank shall assume the liquidation account of Sunshine Bank, as required by 12 C.F.R. 192.475(b).

SECTION 11

This Agreement has been approved by CenterState, which owns all of the outstanding shares of CenterState Bank and by Sunshine, which owns all of the outstanding shares of Sunshine Bank.

SECTION 12

This Agreement is also subject to the following terms and conditions:

- (a) The HC Merger shall have closed and become effective.
- (b) The OCC shall have approved this Agreement and the Bank Merger and shall have issued all other necessary authorizations and approvals for the Bank Merger, and any statutory waiting period shall have expired.
- (c) The Bank Merger may be abandoned at the election of CenterState Bank at any time, whether before or after filings are made for regulatory approval of the Bank Merger.

SECTION 12

Each of the Banks hereby invites and authorizes the OCC to examine each of the Bank's records in connection with the Bank Merger.

SECTION 13

Effective as of the Effective Time, the Articles of Association and Bylaws of the Resulting Bank shall consist of the Articles of Association and Bylaws of CenterState Bank as in effect immediately prior to the Effective Time.

[Table of Contents](#)**SECTION 14**

This Agreement shall terminate if and at the time of any termination of the Holding Company Agreement.

**SECTION 15**

This Agreement embodies the entire agreement and understanding of the Banks with respect to the transactions contemplated hereby, and supersedes all other prior commitments, arrangements or understandings, both oral and written, among the Banks with respect to the subject matter hereof.

The provisions of this Agreement are intended to be interpreted and construed in a manner so as to make such provisions valid, binding and enforceable. In the event that any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding and enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

No waiver, amendment, modification or change of any provision of this Agreement shall be effective unless and until made in writing and signed by the Banks. No waiver, forbearance or failure by any Bank of its rights to enforce any provision of this Agreement shall constitute a waiver or estoppel of such Bank's right to enforce any other provision of this Agreement or a continuing waiver by such Bank of compliance with any provision hereof.

Except to the extent Federal law is applicable, this Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of Florida without regard to principles of conflicts of laws.

This Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Banks' respective successors and permitted assigns. Unless otherwise expressly stated herein, this Agreement shall not benefit or create any right of action in or on behalf of any person or entity other than the Banks.

This Agreement may be executed in counterparts (including by facsimile or optically-scanned electronic mail attachment), each of which shall be deemed to be original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, CenterState Bank and Sunshine Bank have entered into this Agreement as of the date and year first set forth above.

**CENTERSTATE BANKS, INC.**

By: \_\_\_\_\_

John C. Corbett

As its: President and Chief Executive Officer

**SUNSHINE BANCORP, INC.**

By: \_\_\_\_\_

Andrew S. Samuel

As its: President and Chief Executive Officer

[Table of Contents](#)

**EXHIBIT A TO BANK PLAN OF MERGER AND MERGER AGREEMENT**  
**BANKING OFFICES OF THE RESULTING BANK**

Exhibit omitted

[Table of Contents](#)**EXHIBIT D****DIRECTOR NON-COMPETITION AND NON-DISCLOSURE AGREEMENT**

This Non-Competition and Non-Disclosure Agreement (the "Agreement"), is entered into as of the 12th day of August, 2017, by and between CenterState Banks, Inc., a Florida corporation ("CenterState"), and the undersigned individual ("Director").

**RECITALS**

**WHEREAS**, pursuant to that certain Agreement and Plan of Merger dated as of August 12, 2017 (the "Merger Agreement") by and between CenterState and Sunshine Bancorp, Inc., a Maryland corporation ("Company"), Company will merge with and into CenterState (the "Merger"), as a result of which Sunshine Bank, a federal stock savings bank and wholly owned subsidiary of Company (the "Bank"), will merge with and into CenterState Bank, N.A., a national banking association and wholly owned subsidiary of CenterState ("CenterState Bank");

**WHEREAS**, Director is a shareholder of Company and/or the Bank and, as a result of the Merger and pursuant to the transactions contemplated by the Merger Agreement, Director and/or the Company shareholders are expected to receive significant consideration in exchange for the shares of Company common stock held by Director;

**WHEREAS**, prior to the date hereof, Director has served as a member of the Board of Directors of Company and/or the Bank, and, therefore, Director has knowledge of the Confidential Information and Trade Secrets (each as hereinafter defined);

**WHEREAS**, as a result of the Merger, CenterState will succeed to all of the Confidential Information and Trade Secrets, for which CenterState, as of the Effective Time (as defined in the Merger Agreement), will have paid valuable consideration and desires reasonable protection; and

**WHEREAS**, it is a material prerequisite to the consummation of the Merger that certain directors of Company, including Director, enter into this Agreement;

**NOW, THEREFORE**, in consideration of these premises and the mutual covenants and undertakings herein contained, CenterState and Director, each intending to be legally bound, covenant and agree as follows:

1. Restrictive Covenants.

(a) Director acknowledges that (i) CenterState has separately bargained for the restrictive covenants in this Agreement; and (ii) the types and periods of restrictions imposed by the covenants in this Agreement are fair and reasonable to Director and such restrictions will not prevent Director from earning a livelihood.

(b) Having acknowledged the foregoing, solely in the event that the Merger is consummated, Director covenants and agrees with CenterState as follows:

(i) From and after the Effective Time, Director will not disclose or use any Confidential Information or Trade Secret for a period of twelve (12) months from the Effective Time, except for any disclosure that is required by applicable law or court order. In the event that Director is required by law or court order to disclose any Confidential Information, Director will: (i) if and to the extent permitted by such law or court order provide CenterState with prompt notice of such requirement prior to the disclosure so that CenterState may waive the requirements of this Agreement or seek an appropriate protective order at CenterState's sole expense; and (ii) use commercially reasonable efforts to obtain

## Table of Contents

assurances that any Confidential Information disclosed will be accorded confidential treatment. If, in the absence of a waiver or protective order, Director is nonetheless, in the opinion of his counsel, required to disclose Confidential Information, disclosure may be made only as to that portion of the Confidential Information that counsel advises Director is required to be disclosed.

(ii) Except as expressly provided on Schedule I to this Agreement, for a period beginning at the Effective Time and ending two (2) years after the Effective Time, Director will not (except on behalf of or with the prior written consent of CenterState), on Director's own behalf or in the service or on behalf of others, solicit or attempt to solicit any customer of CenterState, CenterState Bank, Company or the Bank (each a "Protected Party"), including known actively sought prospective customers of the Bank as of the Effective Date, for the purpose of providing products or services that are Competitive (as hereinafter defined) with those offered or provided by any Protected Party.

(iii) Except as expressly provided on Schedule I to this Agreement, for a period beginning at the Effective Time and ending two (2) years after the Effective Time, Director will not (except on behalf of or with the prior written consent of CenterState), either directly or indirectly, on Director's own behalf or in the service or on behalf of others, act as a director, manager, officer or employee of any business which is the same as or essentially the same as the business conducted by any Protected Party and which has an office located within the Restricted Territory.

(iv) For a period beginning at the Effective Time and ending two (2) years after the Effective Time, Director will not on Director's own behalf or in the service or on behalf of others, solicit or recruit or attempt to solicit or recruit, directly or by assisting others, any employee of any Protected Party, whether or not such employee is a full-time employee, whether or not such employment is pursuant to a written agreement, and whether or not such employment is for a determined period or is at will, to cease working for such Protected Party; provided that the foregoing will not prevent the placement of any general solicitation for employment not specifically directed towards employees of any Protected Party or hiring any such person as a result thereof.

(c) For purposes of this Section 1, the following terms shall be defined as set forth below:

(i) "Competitive," with respect to particular products or services, shall mean products or services that are the same as or substantially similar to the products or services of any Protected Party.

(ii) "Confidential Information" shall mean data and information:

(A) relating to the business of Company and its subsidiaries, including the Bank, or the business of CenterState or its subsidiaries, including CenterState Bank, regardless of whether the data or information constitutes a Trade Secret;

(B) disclosed to Director or of which Director became aware as a consequence of Director's relationship with Company and/or any of the Bank;

(C) having value to Company and/or any of the Bank and, as a result of the consummation of the transactions contemplated by the Merger Agreement, CenterState and CenterState Bank; and

(D) not generally known to competitors of Company or CenterState.

Confidential Information shall include Trade Secrets, methods of operation, names of customers, price lists, financial information and projections, personnel data and similar information; provided, however, that the terms "Confidential Information" and "Trade Secrets" shall not mean data or information that (x) has been disclosed to the public, except where such public disclosure has been made by Director without authorization from Company or CenterState, (y) has been independently developed and disclosed by others, or (z) has otherwise entered the public domain through lawful means.

(iii) "Restricted Territory" shall mean each county in Florida where the Bank operates a banking office at the Effective Time and each county contiguous to each of such counties.



## Table of Contents

(iv) “Trade Secret” shall mean information, without regard to form, including technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans or a list of actual or potential customers or suppliers, that is not commonly known by or available to the public and which information:

(A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(d) Director acknowledges that irreparable loss and injury would result to CenterState upon the breach of any of the covenants contained in this Section 1 and that damages arising out of such breach would be difficult to ascertain. Director hereby agrees that, in addition to all other remedies provided at law or in equity, CenterState may petition and obtain from a court of law or equity, without the necessity of proving actual damages and without posting any bond or other security, both temporary and permanent injunctive relief to prevent a breach by Director of any covenant contained in this Section 1, and shall be entitled to an equitable accounting of all earnings, profits and other benefits arising out of any such breach. In the event that the provisions of this Section 1 should ever be determined to exceed the time, geographic or other limitations permitted by applicable law, then such provisions shall be modified so as to be enforceable to the maximum extent permitted by law. If such provision(s) cannot be modified to be enforceable, the provision(s) shall be severed from this Agreement to the extent unenforceable. The remaining provisions and any partially enforceable provisions shall remain in full force and effect.

2. Term; Termination. This Agreement may be terminated at any time by the written consent of the parties hereto, and this Agreement shall be automatically terminated upon the earlier of (i) termination of the Merger Agreement; (ii) two (2) years following the Effective Time or (iii) upon a change in control of CenterState. For the avoidance of doubt, the provisions of Section 1 shall only become operative upon the consummation of the Merger but, in such event, shall survive the consummation of the Merger upon the earlier of two (2) years after the Effective Time or upon a change in control of CenterState. Upon termination of this Agreement, no party shall have any further obligations or liabilities hereunder, except that termination of this Agreement will not relieve a breaching party from liability for any breach of any provision of this Agreement occurring prior to the termination of this Agreement.

3. Notices. Any notice, consent, demand, request or other communication given to a party hereto in connection with this Agreement shall be in writing and shall be deemed to have been given to such party (i) when delivered personally to such party or (ii) provided that a written acknowledgment of receipt is obtained, five (5) days after being sent by prepaid certified or registered mail or (iii) two (2) days after being sent by a nationally recognized overnight courier, to the address (if any) specified below for such party (or to such other address as such party shall have specified by ten (10) days’ advance notice given in accordance with this Section 3).

If to CenterState:                      CenterState Banks, Inc.  
1101 First Street South  
Winter Haven, Florida 33880  
Attn: General Counsel

If to Director:                              The address of Director’s principal residence as it appears in Company’s records as of the date hereof, as subsequently modified by Director’s provision of notice regarding the same to CenterState.

[Table of Contents](#)

4. Governing Law; Venue. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Florida, without giving effect to the conflicts of laws principles thereof. The sole and exclusive venue for any civil action, counterclaim, proceeding, or litigation arising out of or relating to this Agreement shall be the courts of record of the State of Florida in Polk County or the United States District Court, Middle District of Florida. Each party consents to the jurisdiction of such Florida Court in any such civil action, counterclaim, proceeding, or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding, or litigation in such Florida Court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

5. Modification and Waiver. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Director and CenterState. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of dissimilar provisions or conditions at the same or any prior subsequent time.

6. Severability. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

7. Counterparts. This Agreement may be executed (and delivered via facsimile or other electronic transmission) in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

9. Construction; Interpretation. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The headings in this Agreement are for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions.

[Signature page follows.]

[Table of Contents](#)

**IN WITNESS WHEREOF**, Director has executed and delivered this Agreement, and CenterState has caused this Agreement to be executed and delivered, all as of the day and year first above set forth.

**CENTERSTATE BANKS, INC.**

By: \_\_\_\_\_  
John C. Corbett  
President and Chief Executive Officer

**Director:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

[Table of Contents](#)Schedule I

For avoidance of doubt, the parties acknowledge and agree that the restrictions set forth in Sections 3(b)(ii) and (iii) shall not apply to any of the following activities of Director:

1. The provision of legal services by Director to any Person.
2. The offer and sale of insurance products by Director to any Person.
3. The provision of investment advisory and brokerage services by Director to any Person.
4. The provision of private equity/venture capital financing by Director to any Person.
5. The provision of accounting services by Director to any Person.
6. The ownership of 5% or less of any class of securities of any Person.
7. The provision of automobile financing in connection with the operation of auto dealerships.
8. Obtaining banking-related services or products for entities owned or controlled by the Director.
9. Referrals of clients or obtaining banking-related services in connection with the conduct of real estate or mortgage broker businesses.
10. Activities that are incidental to the Director's performance of his or her profession so long as such activities are not a scheme to circumvent the restrictions contained in this Agreement.

[Table of Contents](#)**EXHIBIT E****CLAIMS LETTER**

August 12, 2017

CenterState Banks, Inc.  
1101 First Street South  
Winter Haven, Florida 33880  
Attention: John C. Corbett

Gentlemen:

This letter is delivered pursuant the Agreement and Plan of Merger, dated as of August 12, 2017 (the "Merger Agreement"), by and among Sunshine Bancorp, Inc. ("Company"), and CenterState Banks, Inc. ("CenterState").

Concerning claims which the undersigned may have against Company or any of its subsidiaries in my capacity as an officer, director or employee, of Company or any of its subsidiaries, and in consideration of the premises, and the mutual covenants contained herein and in the Merger Agreement and the mutual benefits to be derived hereunder and thereunder, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned, intending to be legally bound, hereby agrees as follows:

1. **Definitions.** Unless otherwise defined in this letter, capitalized terms used in this letter have the meanings given to them in the Merger Agreement. For purposes of this letter, Company and each of its subsidiaries are individually referred to as a "Company Entity" and collectively, as the "Company Entities".

2. **Release of Certain Claims.**

(a) The undersigned hereby releases and forever discharges, effective upon the consummation of the Merger under the Merger Agreement, each Company Entity, and its respective directors and officers (in their capacities as such), and their respective successors and assigns, and each of them (hereinafter, individually and collectively, the "Released Parties") of and from any and all liabilities, claims, demands, debts, accounts, covenants, agreements, obligations, costs, expenses, actions or causes of action of every nature, character or description (collectively, "Claims"), which the undersigned, solely in his capacity as an officer, director or employee of any Company Entity, has or claims to have, or previously had or claimed to have, in each case as of the Effective Time, against any of the Released Parties, whether or not in law, equity or otherwise, based in whole or in part on any facts, conduct, activities, transactions, events or occurrences known or unknown, matured or unmatured, contingent or otherwise (individually a "Released Claim," and collectively, the "Released Claims"), except for (i) compensation for services that have accrued but not yet been paid in the ordinary course of business consistent with past practice or other contract rights relating to severance, employment, stock options and restricted stock grants which have been disclosed in writing to CenterState on or prior to the date of the Merger Agreement, and (ii) the items listed in Section 2(b) below.

(b) For avoidance of doubt, the parties acknowledge and agree that the Released Claims do not include any of the following:

(i) any Claims that the undersigned may have in any capacity other than as an officer, director or employee of any Company Entity, including, but not limited to, (A) Claims as a borrower under loan commitments and agreements between the undersigned and any Company Entity, (B) Claims as a depositor under any deposit account with any Company Entity, (C) Claims as the holder of any Certificate of Deposit issued by any Company Entity, (D) Claims on account of any services rendered by the undersigned in a capacity

[Table of Contents](#)

other than as an officer, director or employee of any Company Entity; (E) Claims in his or her capacity of a shareholder of Company; and (F) Claims as a holder of any check issued by any other depositor of any Company Entity;

(ii) the Claims excluded in (i) and (ii) of Section 2(a) above;

(iii) any Claims that the undersigned may have under the Merger Agreement;

(iv) any right to indemnification that the undersigned may have under the articles of incorporation or bylaws of any Company Entity, or the Merger Agreement; or

(v) any rights or Claims listed on Schedule I to this Agreement.

3. **Forbearance.** The undersigned shall forever refrain and forbear from commencing, instituting or prosecuting any lawsuit, action, claim or proceeding before or in any court, regulatory, governmental, arbitral or other authority to collect or enforce any Released Claims which are released and discharged hereby.

4. **Miscellaneous.**

a. This letter shall be governed and construed in accordance with the laws of the State of Florida (other than the choice of law provisions thereof).

b. This letter contains the entire agreement between the parties with respect to the Released Claims released hereby, and this Release supersedes all prior agreements, arrangement or understandings (written or otherwise) with respect to such Released Claims and no representation or warranty, oral or written, express or implied, has been made by or relied upon by any party hereto, except as expressly contained herein or in the Merger Agreement.

c. This letter shall be binding upon and inure to the benefit of the undersigned and the Released Parties and their respective heirs, legal representatives, successors and assigns.

d. This letter may not be modified, amended or rescinded except by the written agreement of the undersigned and the Released Parties, it being the express understanding of the undersigned and the Released Parties that no term hereof may be waived by the action, inaction or course of delaying by or between the undersigned or the Released Parties, except in strict accordance with this paragraph, and further that the waiver of any breach of this Release shall not constitute or be construed as the waiver of any other breach of the terms hereof.

e. The undersigned represents, warrants and covenants that the undersigned is fully aware of the undersigned's rights to discuss any and all aspects of this matter with any attorney chosen by him or her, and that the undersigned has carefully read and fully understands all the provisions of this letter, and that the undersigned is voluntarily entering into this letter.

f. This letter shall become effective upon the consummation of the Merger, and its operation to extinguish all of the Released Claims released hereby is not dependent on or affected by the performance or non-performance of any future act by the undersigned or the Released Parties (other than the failure of CenterState to pay the Merger Consideration under the Merger Agreement). If the Merger Agreement is terminated for any reason, this letter shall be of no force or effect.

g. If any civil action, arbitration or other legal proceeding is brought for the enforcement of this letter, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this letter, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs, sales and use taxes and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred

[Table of Contents](#)

in that proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing party (including any fees and costs associated with collecting such amounts).

h. IN ANY CIVIL ACTION, COUNTERCLAIM, PROCEEDING, OR LITIGATION, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR RELATES TO THIS CLAIMS LETTER, ANY AND ALL TRANSACTIONS CONTEMPLATED BY THIS CLAIMS LETTER, THE PERFORMANCE OF THIS CLAIMS LETTER, OR THE RELATIONSHIP CREATED BY THIS CLAIMS LETTER, WHETHER SOUNDING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS CLAIMS LETTER WITH ANY COURT, AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THIS CLAIMS LETTER OF THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY ANY OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION. EACH PARTY ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY ITS OWN COUNSEL WITH RESPECT TO THE TRANSACTIONS GOVERNED BY THIS CLAIMS LETTER AND SPECIFICALLY WITH RESPECT TO THE TERMS OF THIS SECTION.

i. The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this letter occurred or shall occur in Polk County, Florida. Any civil action, counterclaim, proceeding, or litigation arising out of or relating to this letter shall be brought in the courts of record of the State of Florida in Polk County or the United States District Court, Middle District of Florida. Each party consents to the jurisdiction of such Florida court in any such civil action, counterclaim, proceeding, or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding, or litigation in such Florida court. Service of any court paper may be effected on such party by mail, as provided in this letter, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

j. Notices. Any notice, consent, demand, request or other communication given to a party hereto in connection with this letter shall be in writing and shall be deemed to have been given to such party (i) when delivered personally to such party, or (ii) provided that a written acknowledgment of receipt is obtained, five (5) days after being sent by prepaid certified or registered mail, or (iii) two (2) days after being sent by a nationally recognized overnight courier, to the address (if any) specified below for such party (or to such other address as such party shall have specified by ten (10) days' advance notice given in accordance with this Section j).

If to CenterState:                      CenterState Banks, Inc.  
   1101 First Street South  
   Winter Haven, Florida 33880  
   Attn: General Counsel

If to the Shareholder:                At the address of the Director set forth below the signature of the Director on the signature page of this Agreement.

[Signature Page Follows]

[Table of Contents](#)

Sincerely,

\_\_\_\_\_  
Signature of Officer or Director

\_\_\_\_\_  
Print Name of Officer or Director

Address: \_\_\_\_\_  
\_\_\_\_\_

On behalf of CenterState Banks, Inc., I hereby acknowledge receipt of this letter as of this 12<sup>th</sup> day of August, 2017.

**CENTERSTATE BANKS, INC.**

By: \_\_\_\_\_

Name: John C. Corbett

Title: President and Chief Executive Officer



[Table of Contents](#)

Schedule I  
Additional Excluded Claims

5

[Table of Contents](#)[Appendix B](#)

August 11, 2017

Board of Directors  
Sunshine Bancorp, Inc.  
102 West Banker Street  
Plant City, FL 33563

Ladies and Gentlemen:

Hovde Group, LLC (“we” or “Hovde”) understand that CenterState Banks, Inc., a Florida corporation (“CenterState”) and Sunshine Bancorp, Inc., a Maryland corporation (“Sunshine”) and, together with CenterState, the “Parties” and each a “Party,” are about to enter into an Agreement and Plan of Merger to be dated on or about August 11, 2017 (the “Agreement”). Pursuant and subject to the terms of the Agreement, Sunshine shall merge with and into CenterState (the “Merger”), with CenterState being the surviving company in the Merger (the “Surviving Company”). Further, pursuant to the Agreement, immediately following the Effective Time and sequentially but in effect simultaneously on the Closing Date, Sunshine Bank, a federal stock savings bank and a direct wholly owned subsidiary of Sunshine (“Savings Bank”), shall be merged (the “Bank Merger”) with and into CenterState Bank, N.A., a national banking association and a direct wholly owned subsidiary of CenterState (“CenterState Bank”), and CenterState Bank shall be the surviving bank (the “Surviving Bank”). Capitalized terms used herein that are not otherwise defined shall have the same meanings attributed to them in the Agreement.

Pursuant and subject to the terms of the Agreement, at the Effective Time, automatically by virtue of the Merger and without any action on the part of the Parties or any shareholder of Sunshine, each share of Sunshine Common Stock issued and outstanding immediately prior to the Effective Time (other than shares described in Section 2.01(b) of the Agreement), shall be converted, in accordance with the terms of the Agreement, into the right to receive 0.89 shares of CenterState Common Stock (the “Merger Consideration”), and cash in lieu of fractional shares as specified in Section 2.04 of the Agreement.

We note that pursuant to the Agreement, each valid option to purchase shares of Sunshine Common Stock (each, a “Sunshine Stock Option”), outstanding and unexercised immediately prior to the Effective Time shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become fully vested and be converted into an option to purchase that number of shares of CenterState Common Stock as shall equal the product obtained by multiplying the Merger Consideration (the “Option Exchange Ratio”) by that number of shares of Sunshine Common Stock which such option entitled the holder thereof to purchase (rounded to the nearest whole share), and at an exercise price equal to the quotient obtained by dividing the exercise price per share of the Sunshine Stock Option by the Option Exchange Ratio (rounded to the nearest cent); provided however, that in the event that the Merger Consideration is modified as a result of the application of the anti-dilution provisions of Section 2.09 of the Agreement, then the Option Exchange Ratio shall be appropriately adjusted in order to reflect the impact of such modification to the Merger Consideration. For purposes of the foregoing and our opinion, we have assumed that 717,876 outstanding Sunshine Stock Options will be converted into CenterState options to purchase 259,300 shares of CenterState Common Stock (which, based on a weighted average exercise price of \$13.13 for each Sunshine Stock Option, and closing price of CenterState Common Stock of \$24.83 as of August 9, 2017, has a value, net of the aggregate exercise prices, of approximately \$6,438,414). Further, at the Effective Time, each share of restricted stock outstanding immediately prior thereto (each “Sunshine Restricted Stock”) shall vest in full and the restrictions thereon shall lapse, and shall be treated as issued and outstanding shares of Sunshine Common Stock for the purposes of the Agreement, including but not limited to Section 2.01 thereof. You have advised us that there are 81,674 shares of Sunshine Restricted

[Table of Contents](#)

Board of Directors  
Sunshine Bancorp, Inc.  
Page 2 of 5

Stock outstanding as of August 9, 2017, and that after the repayment of the Sunshine ESOP Loan (as provided in the Agreement) there will be 338,560 ESOP shares that will be converted into the right to receive Merger Consideration, and we have relied on such amounts for purposes of our analysis and opinion. Accordingly, based on 8,021,842 shares of Sunshine Common stock outstanding as of August 9, 2017 (and assuming 0.89 shares of CenterState Common Stock issued for each share of Sunshine Common Stock), we have assumed that CenterState will issue 7,139,439 shares of CenterState Common Stock in connection with the Merger.

You have requested our opinion as to the fairness, from a financial point of view, of the Merger Consideration to the shareholders of Sunshine. This opinion addresses only the fairness of the Merger Consideration to be paid in connection with the Merger, and we are not opining on any individual stock, cash, option, or other components of the consideration.

During the course of our engagement and for the purposes of the opinion set forth herein, we have:

- (i) reviewed a draft of the Agreement dated August 8, 2017, as provided to Hovde by Sunshine;
- (ii) reviewed unaudited financial statements for Sunshine and CenterState for the six-month period ended June 30, 2017;
- (iii) reviewed certain historical annual reports of each of Sunshine and CenterState, including audited annual reports for the year ending December 31, 2016;
- (iv) reviewed certain historical publicly available business and financial information concerning each of Sunshine and CenterState;
- (v) reviewed certain internal financial statements and other financial and operating data concerning of Sunshine and CenterState;
- (vi) reviewed financial projections prepared by certain members of senior management of Sunshine;
- (vii) discussed with certain members of senior management of Sunshine and CenterState, the business, financial condition, results of operations and future prospects of Sunshine and CenterState; the history and past and current operations of Sunshine and CenterState; Sunshine's and CenterState's historical financial performance; and their assessment of the rationale for the Merger;
- (viii) reviewed and analyzed materials detailing the Merger prepared by Sunshine and CenterState and by their respective legal and financial advisors, including the estimated amount and timing of the cost savings and related expenses, purchase accounting adjustments and synergies expected to result from the Merger (the "Synergies");
- (ix) analyzed the pro forma financial impact of the Merger on the combined company's earnings, tangible book value, financial ratios and other such metrics we deemed relevant, giving effect to the Merger based on assumptions relating to the Synergies;
- (x) reviewed publicly available consensus mean analyst earnings per share estimates for Sunshine and CenterState for the years ending December 31, 2017 and December 31, 2018;
- (xi) reviewed materials relating to Project Marina prepared by CenterState and by its respective legal and financial advisors including the pro forma financial impact to CenterState;
- (xii) assessed general economic, market and financial conditions;
- (xiii) reviewed the terms of recent merger, acquisition and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that we considered relevant;
- (xiv) taken into consideration our experience in other similar transactions and securities valuations as well as our knowledge of the banking and financial services industry;

[Table of Contents](#)

Board of Directors  
Sunshine Bancorp, Inc.  
Page 3 of 5

- (xv) reviewed historical market prices and trading volumes of CenterState's common stock;
- (xvi) reviewed certain publicly available financial and stock market data relating to selected public companies that we deemed relevant to our analysis; and
- (xvii) performed such other analyses and considered such other factors as we have deemed appropriate.

We have assumed, without investigation, that there have been, and from the date hereof through the Effective Date will be, no material changes in the financial condition and results of operations of Sunshine or CenterState since the date of the latest financial information described above. We have further assumed, without independent verification, that the representations and financial and other information included in the Agreement and all other related documents and instruments that are referred to therein or otherwise provided to us by Sunshine and CenterState are true and complete. We have relied upon the management of Sunshine and CenterState as to the reasonableness and achievability of the financial forecasts, projections and other forward-looking information (including the Synergies) provided to Hovde by Sunshine and CenterState, and we assumed such forecasts, projections and other forward-looking information (including the Synergies) have been reasonably prepared by Sunshine and CenterState on a basis reflecting the best currently available information and Sunshine's and CenterState's judgments and estimates. We have assumed that such forecasts, projections and other forward-looking information (including the Synergies) would be realized in the amounts and at the times contemplated thereby, and we do not assume any responsibility for the accuracy or reasonableness thereof. We have been authorized by Sunshine to rely upon such forecasts, projections and other information and data, and we express no view as to any such forecasts, projections or other forward-looking information or data, or the bases or assumptions on which they were prepared.

In performing our review, we have assumed and relied upon the accuracy and completeness of all of the financial and other information that was available to us from public sources, that was provided to us by Sunshine or CenterState or their respective representatives or that was otherwise reviewed by us for purposes of rendering this opinion. We have further relied on the assurances of the respective managements of Sunshine and CenterState that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. We have not been asked to and have not undertaken an independent verification of any of such information and we do not assume any responsibility or liability for the accuracy or completeness thereof. We have assumed that each party to the Agreement would advise us promptly if any information previously provided to us became inaccurate or was required to be updated during the period of our review.

We are not experts in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto. We have assumed that such allowances for Sunshine and CenterState are, in the aggregate, adequate to cover such losses, and will be adequate on a pro forma basis for the combined entity. We were not requested to make, and have not made, an independent evaluation, physical inspection or appraisal of the assets, properties, facilities, or liabilities (contingent or otherwise) of Sunshine or CenterState, the collateral securing any such assets or liabilities, or the collectability of any such assets and we were not furnished with any such evaluations or appraisals; nor did we review any loan or credit files of Sunshine or CenterState.

We have undertaken no independent analysis of any pending or threatened litigation, regulatory action, possible unasserted claims or other contingent liabilities to which Sunshine or CenterState is a party or may be subject, and our opinion makes no assumption concerning, and therefore does not consider, the possible assertion of claims, outcomes or damages arising out of any such matters. We have also assumed that neither Sunshine nor CenterState is party to any material pending transaction, including without limitation any financing, recapitalization, acquisition or merger, divestiture or spin-off, other than the Merger contemplated by the Agreement and Project Marina. Hovde is not opining in any manner on the nature or terms of Project Marina, or the effect of Project Marina on the future earnings, financial condition or operations of the parties generally, and we do not assume any responsibility or liability for any matters relating thereto.

[Table of Contents](#)

Board of Directors  
Sunshine Bancorp, Inc.  
Page 4 of 5

We have relied upon and assumed with your consent and without independent verification, that the Merger will be consummated substantially in accordance with the terms set forth in the Agreement, without any waiver of material terms or conditions by Sunshine or any other party to the Agreement and that the final Agreement will not differ materially from the draft we reviewed. We have assumed that the Merger will be consummated in compliance with all applicable laws and regulations. Sunshine has advised us that they are not aware of any factors that would impede any necessary regulatory or governmental approval of the Merger. We have assumed that the necessary regulatory and governmental approvals as granted will not be subject to any conditions that would be unduly burdensome on Sunshine or CenterState or would have a material adverse effect on the contemplated benefits of the Merger.

Our opinion does not consider, include or address: (i) the legal, tax, accounting, or regulatory consequences of the Merger on Sunshine, or its shareholders; (ii) any advice or opinions provided by any other advisor to the Board or Sunshine; (iii) any other strategic alternatives that might be available to Sunshine; or (iv) whether CenterState has sufficient cash or other sources of funds to enable it to pay the consideration contemplated by the Merger.

Our opinion does not constitute a recommendation to Sunshine as to whether or not Sunshine should enter into the Agreement or to any shareholders of Sunshine as to how such shareholders should vote at any meetings of shareholders called to consider and vote upon the Merger. Our opinion does not address the underlying business decision to proceed with the Merger or the fairness of the amount or nature of the compensation, if any, to be received by any of the officers, directors or employees of Sunshine relative to the amount of consideration to be paid with respect to the Merger. Our opinion should not be construed as implying that the Merger Consideration is necessarily the highest or best price that could be obtained in a sale, merger, or combination transaction with a third party. We do not express any opinion as to the value of CenterState's common stock following the announcement of the proposed Merger, or the value of CenterState's common stock following the consummation of the Merger, or the prices at which shares of CenterState's common stock may be purchased or sold at any time. Other than as specifically set forth herein, we are not expressing any opinion with respect to the terms and provisions of the Agreement or the enforceability of any such terms or provisions. Our opinion is not a solvency opinion and does not in any way address the solvency or financial condition of Sunshine or CenterState.

This opinion was approved by Hovde's fairness opinion committee. This letter is directed solely to the board of directors of Sunshine and is not to be used for any other purpose or quoted or referred to, in whole or in part, in any registration statement, prospectus, proxy statement, or any other document, except in each case in accordance with our prior written consent; provided, however, that we hereby consent to the inclusion and reference to this letter in any registration statement, proxy statement or information statement to be delivered to the holders of Sunshine's common stock in connection with the Merger if, and only if, this letter is quoted in full or attached as an exhibit to such document, this letter has not been withdrawn prior to the date of such document, and any description of or reference to Hovde or the analyses performed by Hovde or any summary of this opinion in such filing is in a form acceptable to Hovde and its counsel in the exercise of their reasonable judgment.

Our opinion is based solely upon the information available to us and described above, and the economic, market and other circumstances as they exist as of the date hereof. Events occurring and information that becomes available after the date hereof could mat