

Regional Management Corp.
Form DEF 14A
March 27, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 Pursuant to §240.14a-12

Regional Management Corp.

(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:

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**Notice of 2019 Annual Meeting of Stockholders
and Proxy Statement**

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Regional Management Corp.

979 Batesville Road, Suite B

Greer, South Carolina 29651

(864) 448-7000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on April 25, 2019

To the Stockholders of Regional Management Corp.:

We hereby give notice that the 2019 Annual Meeting of Stockholders (the Annual Meeting) of Regional Management Corp. will be held on Thursday, April 25, 2019, at 8:00 a.m. local time, at our headquarters located at 979 Batesville Road, Suite B, Greer, SC 29651, for the following purposes:

- (1) To elect the eight nominees named in the accompanying Proxy Statement to serve as members of our Board of Directors until the next annual meeting of stockholders or until their successors are elected and qualified;
- (2) To ratify the appointment of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
- (3) To hold an advisory vote to approve executive compensation; and
- (4) To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

We began mailing this Notice of Annual Meeting of Stockholders and our Proxy Statement to stockholders on or about March 27, 2019. Only stockholders whose names appear of record on our books at the close of business on March 1, 2019 will be entitled to notice of and to vote at the Annual Meeting or at any adjournments thereof.

Your vote is important. Whether or not you plan to attend the Annual Meeting in person, you are urged to cast your vote promptly in order to assure representation of your shares at the meeting and so that a quorum may be established. In advance of the Annual Meeting, you may vote by Internet or by mail. If you attend the Annual Meeting, you may revoke your proxy and vote your shares in person.

To vote by Internet, please visit *www.proxyvote.com*. Have the enclosed proxy card in hand when you access the website, and follow the instructions to obtain your records and to create an electronic voting instruction form.

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To vote by mail, please complete, date, and sign the enclosed proxy card, and mail it in the enclosed envelope. No postage need be affixed if the proxy card is mailed in the United States.

On behalf of our Board of Directors and our management team, we thank you for your interest in Regional and for your participation in the Annual Meeting.

By Order of the Board of Directors

Brian J. Fisher

SVP, General Counsel, and Secretary

Greer, South Carolina

March 26, 2019

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON APRIL 25, 2019: The Notice of Annual Meeting of
Stockholders,**

Proxy Statement, and Annual Report on Form 10-K are available free of charge at

<https://materials.proxyvote.com/75902K> and on our Investor Relations website at www.regionalmanagement.com.

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PROXY STATEMENT

2019 Annual Meeting of Stockholders

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REGIONAL MANAGEMENT CORP.

979 Batesville Road, Suite B

Greer, South Carolina 29651

PROXY STATEMENT

For the Annual Meeting of Stockholders to Be Held on April 25, 2019

Important Notice Regarding the Availability of Proxy Materials

for the Stockholder Meeting to Be Held on April 25, 2019:

The Notice of Annual Meeting of Stockholders, Proxy Statement, and Annual Report on Form 10-K are available free of charge at <https://materials.proxyvote.com/75902K> and on the Investor Relations website of Regional Management Corp. at www.regionalmanagement.com.

March 26, 2019

2019 PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

Annual Meeting of Stockholders

Date: Thursday, April 25, 2019

Time: 8:00 a.m. local time

Place: Regional Management Corp. Headquarters at 979 Batesville Road, Suite B, Greer, SC 29651

Record Date: March 1, 2019

Voting: Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each other proposal. Stockholders may vote in person or by proxy. Instructions as to how you may cast your vote by proxy are found on the accompanying proxy card and are set forth in the Proxy Statement under General Information and Frequently Asked Questions How do I vote?

Proxy Materials: The Proxy Statement and the accompanying proxy card are first being mailed on or about March 27, 2019 to the stockholders of Regional Management Corp.

Meeting Agenda

Proposal	Board Vote Recommendation	Page Reference (for more detail)
Election of eight directors	FOR ALL	p. 58
Ratification of the appointment of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019	FOR	p. 58
Advisory vote to approve executive compensation	FOR	p. 60

Transact other business as may properly come before the meeting

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Table of Contents**Election of Director Nominees**

The following table provides summary information about each director nominee. The nominees receiving a plurality of the votes cast at the meeting will be elected as directors.

Name	Director Since	Experience/Qualifications	Independent	Committees		
				AC	CC	CGN
Alvaro G. de Molina, Chair of the Board	2012	Financial Services Industry, Leadership, Credit Risk, Corporate Finance, M&A, Accounting, Risk Management				
Jonathan D. Brown	2018	Financial Services Industry, Capital Allocation, Investor Relations				
Roel C. Campos	2012	Leadership, Cybersecurity, Corporate Governance, Government Affairs, Securities Compliance, Regulatory				C
Maria Contreras-Sweet	2018	Financial Services Industry, Leadership, Corporate Finance, Technology/Innovation, Corporate Governance, Regulatory, Public Relations, Government Affairs				
Michael R. Dunn	2014	Financial Services Industry, Leadership, Credit Risk,				

Corporate Finance, M&A, Risk
Management, Investor Relations

Steven J. Freiberg	2014	Financial Services Industry, Leadership, Credit Risk, Corporate Finance, Marketing, M&A, Executive Compensation, Technology, Risk Management, Investor Relations	C
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Peter R. Knitzer	2015	Financial Services Industry, Leadership, Credit Risk, Corporate Finance, Marketing, Investor Relations
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Carlos Palomares	2012	Financial Services Industry, Leadership, Credit Risk, Corporate Finance, Executive Compensation, Accounting, Risk Management	C
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AC = Audit Committee

CC = Compensation Committee CGN = Corporate Governance and Nominating Committee C = Committee Chair

Ratification of Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Advisory Vote to Approve Executive Compensation

As required by Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), we are providing our stockholders with the opportunity at the Annual Meeting of Stockholders to vote on a non-binding advisory resolution to approve the compensation of our named executive officers (commonly known as a Say-on-Pay Vote).

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2018 Compensation-Related Highlights

Continued alignment of executive pay with company performance:

2018 incentives are largely performance-contingent, with long-term incentive awards roughly two-thirds performance-contingent and short-term incentive awards entirely performance-contingent

Performance goals are rigorous and are based almost exclusively on objective, quantitative criteria

Maintained competitive compensation and incentive program target opportunities for our executives in order to continue to align their overall compensation with the market for executive talent

Set our short-term incentive payout opportunities to provide high upside if performance goals are exceeded, while paying low or no bonus amounts if goals are not achieved

Granted long-term incentives, which include a significant portion that is contingent upon the achievement of rigorous and clearly-defined performance measures, to named executive officers and other key contributors, effectively aligning such individuals' interests with the long-term interests of our stockholders

Compensation Program Best Practices Summary

Compensation program designed to closely align pay with performance

Significant share ownership guidelines for executives (5x base salary for CEO, 2x for other executive officers)

Significant share ownership guidelines for directors (5x annual cash retainer)

Significant portion of compensation is variable and/or performance-based

No excessive perquisites

No excise tax gross-ups

Formalized clawback policy

Double-trigger change-in-control provisions

Prohibition against hedging and pledging

No re-pricing of equity incentive awards without stockholder approval

Independent Compensation Committee

Independent compensation consultant

Fiscal 2018 Compensation Summary

The following table sets forth the cash and other compensation that we paid to our named executive officers or that was otherwise earned by our named executive officers for their services in all employment capacities during 2018. See the Summary Compensation Table of the Proxy Statement for additional information.

Name and Principal Position	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Peter R. Knitzer, President and Chief Executive Officer	550,000		733,314	733,327	548,350	83,701	2,648,692
John D. Schachtel, Executive Vice President and Chief Operating Officer	360,000		274,986		358,920	72,659	1,066,565
Donald E. Thomas, Executive Vice President	355,000		177,495	177,499	547,375	45,246	1,302,615

and Chief Financial Officer

Daniel J. Taggart,	330,000	109,977	109,998	448,648	25,993	1,024,616
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Executive Vice President

and Chief Credit Risk Officer

Christian J. Fisher,	300,000	99,977	100,000	410,774	16,963	927,714
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Senior Vice President, General
Counsel,

and Secretary

2020 Annual Meeting of Stockholders

Stockholder proposals submitted pursuant to SEC Rule 14a-8 must be received by us no later than November 28, 2019.

Notice of stockholder proposals outside of SEC Rule 14a-8 must be delivered to us not earlier than December 27, 2019 and not later than January 26, 2020.

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**GENERAL INFORMATION AND
FREQUENTLY ASKED QUESTIONS**

This proxy statement (the Proxy Statement) and the accompanying proxy card are first being sent on or about March 27, 2019, to the stockholders of Regional Management Corp., a Delaware corporation (Regional, the Company, we, us, and our), in connection with the solicitation of proxies by our Board of Directors (the Board) for use at the Annual Meeting of Stockholders (the Annual Meeting) to be held on April 25, 2019, at Regional's headquarters located at 979 Batesville Road, Suite B, Greer, SC 29651, at 8:00 a.m. local time and any postponement or adjournment thereof. Our Annual Report on Form 10-K, containing financial statements for the fiscal year ended December 31, 2018, is being mailed together with this Proxy Statement to all stockholders entitled to vote at the Annual Meeting.

Why did I receive a proxy card and Proxy Statement?

As a stockholder of record on March 1, 2019, you are entitled to vote at the Annual Meeting. The accompanying proxy card is for use at the Annual Meeting if a stockholder either will be unable to attend in person or will attend but wishes to vote by proxy in advance of the Annual Meeting. Even if you plan to attend the Annual Meeting in person, you are encouraged to vote by proxy in advance. Instructions as to how you may cast your vote by proxy are found on the proxy card. If you attend the Annual Meeting, you may revoke your proxy and vote your shares in person.

The proxy card is solicited by mail by and on behalf of the Board, and the cost of soliciting proxies will be borne by us. In addition to solicitations by mail, proxies may be solicited in person, by telephone, or via the Internet by our directors and officers who will not receive additional compensation for such services. We will request banks, brokerage houses, and other institutions, nominees, and fiduciaries to forward the soliciting material to beneficial owners and to obtain authorization for the execution of proxies. We will, upon request, reimburse these parties for their reasonable expenses in forwarding proxy materials to our beneficial owners.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is:

- (i) to elect the eight nominees named in the Proxy Statement to serve as members of the Board until the next annual meeting of stockholders or until their successors are elected and qualified;
- (ii) to ratify the appointment of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
- (iii) to hold an advisory vote to approve executive compensation; and
- (iv) to transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Who is entitled to vote?

Only stockholders of record at the close of business on March 1, 2019 (the Record Date), will be entitled to receive notice of and to vote at the Annual Meeting. As of the Record Date, 11,828,806 shares of our common stock, \$0.10 par value per share, were outstanding. The holders of common stock are entitled to one vote per share for each director nominee and to one vote per share on any other proposal presented at the Annual Meeting.

Brokers that are members of certain securities exchanges and that hold shares of our common stock in street name on behalf of beneficial owners have authority to vote on certain items when they have not received instructions from beneficial owners. Under the New York Stock Exchange (NYSE) rules and regulations governing such brokers, the proposal to ratify the appointment of RSM US LLP as our independent registered public accounting firm is considered a discretionary item. This means that brokers may vote in their discretion on this proposal on behalf of beneficial owners who have not furnished voting instructions. In contrast, certain items are considered non-discretionary, and a broker non-vote occurs when a broker or other nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. The proposals to elect directors and to approve executive compensation are considered non-

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discretionary, and therefore, brokers cannot vote your shares on these proposals when they do not receive voting instructions from you.

What constitutes a quorum?

The representation in person or by proxy of at least a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business. Votes withheld from any nominee, abstentions, and broker non-votes are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting.

How do I vote?

Stockholders may vote in person or by proxy. Instructions as to how you may cast your vote by proxy are set forth below and are found on the accompanying proxy card.

Vote in Person: If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card.

Vote by Internet (www.proxyvote.com): Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on April 24, 2019. Have your proxy card in hand when you access the website, and follow the instructions to obtain your records and to create an electronic voting instruction form.

Vote by Mail: Mark, sign, and date your proxy card and promptly return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Will other matters be voted on at the Annual Meeting?

Aside from the three proposals described above, the Board knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote properly may be taken, shares represented by all proxies received by the Board will be voted with respect thereto in accordance with the best judgment of the persons named as proxy holders and attorneys-in-fact in the proxies.

May I revoke my proxy instructions?

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted at the Annual Meeting. Proxies may be revoked by (i) filing with our Corporate Secretary, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy; (ii) duly completing a later-dated proxy card relating to the same shares and delivering it to our Corporate Secretary before the taking of the vote at the Annual Meeting; or (iii) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be sent so as to be delivered to Regional Management Corp., 979 Batesville Road, Suite B, Greer, South Carolina 29651, Attention: Corporate Secretary, before the taking of the vote at the Annual Meeting.

How many votes are required to approve each proposal?

With respect to the proposal to elect directors (Proposal No. 1), the eight nominees receiving the highest number of affirmative votes of the shares present or represented and entitled to vote at the Annual Meeting shall be elected as directors. Regarding the proposal to ratify the appointment of RSM US LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal No. 2), an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval. Likewise, the compensation of executive officers (Proposal No. 3) will be approved, on an advisory basis, if a majority of the shares present, in person or represented by proxy, and voting on such matter is cast in favor of the proposal. Broker non-votes are not considered voted for the particular matter, and for proposals subject to majority voting (Proposal No. 2 and Proposal No. 3), broker non-votes have the effect of reducing the number of

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affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

Because your vote on Proposal No. 3 is advisory, it will not be binding on us, our Board, or our Compensation Committee. However, the Board and the Compensation Committee will consider the outcome of this vote when making future compensation decisions for our executive officers.

The persons named as proxy holders and attorneys-in-fact in the proxy card, Peter R. Knitzer and Brian J. Fisher, were selected by the Board and are officers of the Company. All properly executed proxy cards returned in time to be counted at the Annual Meeting will be voted by such persons at the Annual Meeting. Where a choice has been specified on the proxy card with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. If no such specifications are indicated, such shares will be voted FOR the election of all director nominees, FOR the ratification of the appointment of our independent registered public accounting firm, and FOR the advisory approval of executive compensation.

How can I correspond directly with Regional Management Corp.?

The address of our principal executive office is 979 Batesville Road, Suite B, Greer, South Carolina 29651, and our telephone number is (864) 448-7000. In addition, any person interested in communicating directly with the independent Chair of our Board or with any other Board member may address such communication to our Corporate Secretary, 979 Batesville Road, Suite B, Greer, South Carolina 29651, who will forward such communication to the appropriate party.

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**BOARD OF DIRECTORS AND
CORPORATE GOVERNANCE MATTERS**

The Board is responsible for directing and overseeing the management of our business and affairs in a manner consistent with the best interests of the Company and its stockholders. The Board has implemented written Corporate Governance Guidelines designed to assist the Board in fulfilling its duties and responsibilities. The Corporate Governance Guidelines address a number of matters applicable to directors, including Board composition, structure, and policies; director qualification standards; Board meetings; committees of the Board; roles and expectations of the Board and its directors; director compensation; management succession planning; and other matters. These Corporate Governance Guidelines are available on our Investor Relations website at www.regionalmanagement.com. A stockholder may request a copy of the Corporate Governance Guidelines by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, South Carolina 29651.

Director Qualifications

Our Corporate Governance and Nominating Committee (the Nominating Committee) is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. The Nominating Committee considers minimum individual qualifications, including relevant career experience, strength of character, mature judgment, familiarity with our business and industry, independence of thought, and an ability to work collegially with the other members of the Board, and all other factors it considers appropriate, which may include age, diversity of background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations (such as antitrust issues), corporate governance background, financial and accounting background, executive compensation background, and the size, composition, and combined expertise of the existing Board. The Board and the Nominating Committee monitor the mix of specific experience, qualifications, and skills of the Company's directors in order to ensure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of our business and structure. Stockholders may also nominate directors for election at our annual stockholders' meeting by following the provisions set forth in our Amended and Restated Bylaws (the Bylaws), and in such a case, the Nominating Committee will consider the qualifications of directors proposed by stockholders.

When determining whether director nominees have the experience, qualifications, attributes, and professional and functional skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our business and structure, the Nominating Committee has focused primarily on the valuable contributions of incumbent directors to our success in recent years and on the skills, experience, and individual attributes that each director nominee brings to the Board, including those discussed in the biographical descriptions and matrix set forth below.

Board Diversity

The Board recognizes and embraces the value of a diverse board of directors in improving the quality of its performance and our success. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink, and ensures that the Board has the opportunity to benefit from all available talent. The Board also recognizes the need for its directors to understand and to be able to respond effectively to the financial needs of its diverse customer base. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

In February 2018, the Board approved its Board Diversity Policy (the Diversity Policy), which is available on our Investor Relations website at www.regionalmanagement.com. The Diversity Policy establishes the Board's approach to achieving and maintaining diversity on the Board. The Board and the Nominating Committee are committed to actively seeking out highly qualified, diverse candidates to include in the pool from which Board nominees are chosen. The Board seeks to comprise itself of talented and dedicated directors with a diverse mix of expertise in areas needed to foster our business success, as well as a diversity of personal characteristics that include, but are not limited to, gender, race, ethnicity, national origin, sexual orientation, age, and geography. The Board and the Nominating Committee implement the Diversity Policy by maintaining a director candidate list comprised of individuals qualified to fill openings on the Board, which includes candidates with useful expertise who possess diverse personal backgrounds. When director openings occur, the list will be used to assist in selecting new directors. Ultimately, the selection of new directors will be based on the Board's judgment of the overall

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contributions that a candidate will bring to the Board, giving due weight to diverse personal characteristics that contribute to the Board achieving the objectives of the Diversity Policy.

The Nominating Committee is charged with reviewing all steps taken pursuant to the Diversity Policy on an annual basis, assessing the Board's progress in achieving diversity, and presenting its findings and assessment to the full Board for input. In its 2018 annual assessment, the Nominating Committee noted the following:

In January 2018, the Board appointed two diverse candidates as directors of the Board. Maria Contreras-Sweet is the Board's first Hispanic female director, and Jonathan D. Brown is the Board's first director under the age of 40.

In February 2018, the Board adopted the Diversity Policy.

In March 2018, the Company included in its proxy statement a matrix that prominently lists each director's skills, experience, and demographic background, including diverse characteristics.

Throughout 2018, directors added diverse candidates to the director candidate list required to be maintained by the Diversity Policy.

50% of the Board is comprised of Hispanic American directors.

The Nominating Committee and the Board are proud of the diverse characteristics of the Company's directors and will continue to promote diversity initiatives at the Board level and throughout the Company.

Current Directors and Director Nominees

The Board has the discretion to determine the size of the Board, the members of which are elected at each year's annual meeting of stockholders. Our Board currently consists of eight directors: Alvaro G. de Molina, Jonathan D. Brown, Roel C. Campos, Maria Contreras-Sweet, Michael R. Dunn, Steven J. Freiberg, Peter R. Knitzer, and Carlos Palomares, with Mr. de Molina serving as Chair of the Board. Each of these individuals has also been nominated as a director candidate for election at the Annual Meeting.

Biographical information of each of our directors is provided below. In addition, following the biographical information of our directors, we have provided a matrix summarizing the background, skills, experience, qualifications, and other attributes of our directors that led the Nominating Committee and the Board to conclude that such individuals would provide valuable contributions to our business and should therefore serve our company as its directors.

ALVARO G. DE MOLINA

Mr. de Molina has been a director of Regional since March 2012 and currently serves as Chair of the Board. Until 2009, Mr. de Molina was the Chief Executive Officer of GMAC LLC, which he originally joined as Chief

Age: 61 Operating Officer in 2007. Since departing GMAC LLC, Mr. de Molina has been a private investor. He joined Cerberus Capital Management for a period during 2007 where he worked with the operations group, following a 17-year career at Bank of America, where he most recently served as its Chief Financial Officer from 2005 until 2007. During his tenure at Bank of America, Mr. de Molina also served as Chief Executive Officer of Banc of America Securities, President of Global Capital Markets and Investment Banking, head of Market Risk Management, and Corporate Treasurer. Previously, he also served in key roles at JPMorgan Chase Bank, N.A., Becton, Dickinson and Company, and PriceWaterhouse LLP (now PricewaterhouseCoopers LLP). From September 2012 until February 2018, Mr. de Molina served on the board of directors of Walter Investment Management Corp., a publicly-held entity which is an asset manager, mortgage servicer, and mortgage portfolio owner specializing in less-than-prime, non-conforming, and other credit-challenged mortgage assets. He holds a B.S. degree in Accounting from Fairleigh Dickinson University and an M.B.A. degree from Rutgers Business School and is a graduate of the Duke University Advanced Management Program.

Director Since: 2012

Chair of the Board

Member of the Audit Committee and Corporate Governance and Nominating Committee

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JONATHAN D. BROWN

Age: 34

Director Since: 2018

Mr. Brown has served as a director of Regional since January 2018. He is a partner with Basswood Capital Management L.L.C. (Basswood), an alternative asset manager with over \$1.4 billion of assets under management. Mr. Brown joined Basswood in 2009. In his current role, Mr. Brown is responsible for the research and investment analysis of companies across a broad range of sectors, with a specialized focus on financial services. Prior to Basswood, Mr. Brown worked at Sandelman Partners and Goldman Sachs. Mr. Brown graduated from Emory University's Goizueta School of Business in 2006 with a B.B.A., holding dual concentrations in Finance and Strategy & Management Consulting, as well as a minor in History.

Mr. Brown is the representative of Basswood, our largest stockholder. For a description of our cooperation agreement with Basswood, pursuant to which Mr. Brown is nominated, see Other Information Certain Relationships and Related Person Transactions Cooperation Agreement, below.

ROEL C. CAMPOS

Age: 70

Director Since: 2012

Chair of the Corporate

Governance and Nominating

Committee

Member of the Compensation

Committee

Mr. Campos has served as a director of Regional since March 2012. He has been a partner with the law firm of Hughes Hubbard & Reed LLP since February 2016, where he practices in the areas of securities regulation, corporate governance, and securities enforcement and serves as Chair of the firm's Securities Enforcement Practice. Prior to joining Hughes Hubbard & Reed LLP, Mr. Campos was a partner with Locke Lord LLP (April 2011 to February 2016) and Cooley LLP (September 2007 to April 2011). Prior to that, he received a presidential appointment and served as a Commissioner of the Securities and Exchange Commission (the SEC) from 2002 to 2007. Prior to serving with the SEC, Mr. Campos was a founding partner of a Houston-based radio broadcaster. Earlier in his career, he practiced corporate law and served as a federal prosecutor in Los Angeles, California. Mr. Campos also previously served from January 2013 to May 2017 on the board of directors of WellCare Health Plans, Inc., a publicly-held entity which provides managed care services targeted to government-sponsored health care programs. He is currently a director of Paulson International Ltd., a privately-held, Cayman-based hedge fund; a director of a private registered broker-dealer, Liquidnet Holdings, Inc.; and a member of the Advisory Board of Balyasny Asset Management L.P., a registered investment advisory fund. Mr. Campos also serves on the Advisory Board for the Public Company Accounting Oversight Board (the PCAOB), the Board of Visitors to the United States Air Force Academy, and on various non-profit boards. From 2008 to 2013, Mr. Campos served on the President's citizen Presidential Intelligence Advisory Board. Mr. Campos earned a B.S. degree from the United States Air Force Academy, an M.B.A. degree from the University of California, Los Angeles, and a J.D. degree from Harvard Law School.

MARIA CONTRERAS-SWEET

Ms. Contreras-Sweet has been a director of Regional since January 2018. She is the Managing Partner of Rockway Equity Partners, and she previously served as a member of President Obama's cabinet as the Administrator of the

Age: 63

U.S. Small Business Administration from April 2014 to January 2017. Since March 2017, Ms. Contreras-Sweet has served as a director and member of the audit committee of Sempra Energy, a publicly-traded energy-services company that invests in, develops, and operates energy infrastructure and provides electric and gas services to customers in North and South America. She was a founder of ProAmerica Bank, where she served as Executive Chairwoman from 2006 to 2014, and Co-Founder and Managing Partner of Fortius Holdings from 2003 to 2006. Prior to that, Ms. Contreras-Sweet served as the California cabinet Secretary of the Business, Transportation and Housing Agency from 1999 to 2003. Earlier in her career, she was a senior executive with Westinghouse Electric Company's 7-Up/RC Bottling

Director Since: 2018

Member of the Corporate

Governance and Nominating

*Committee and the Compensation
Committee*

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Company. Ms. Contreras-Sweet is also a Distinguished Fellow of the LARTA Institute and serves on the Board of Directors of the Bipartisan Policy Center. She has been bestowed with honorary doctorates from Tufts University, Whittier College, California State University, Los Angeles, and La Verne University.

MICHAEL R. DUNN*Age: 67**Director Since: 2014*

Mr. Dunn has been a director of Regional since July 2014. He previously served as Chief Executive Officer of Regional from October 2014 through July 2016 and as Executive Chairman of the Board from August 2016 through December 2016. Prior to joining Regional, Mr. Dunn was a partner at the private equity firm of Brysam Global Partners, a specialized firm focusing on investment in international banking and consumer lending companies, from 2007 through 2013. Mr. Dunn served as a board or alternate board member for all of Brysam's portfolio companies. Prior to that, Mr. Dunn was with Citigroup for over 30 years, where he was the Chief Financial Officer of the Global Consumer Group from 1996 through 2007, adding the title of Chief Operating Officer of the Group in 2005. He was also a member of the Citigroup Management and Operating Committees. Mr. Dunn previously served on the boards of Banamex, a wholly-owned Mexican bank subsidiary of Citigroup, and on the U.S.-based Student Loan Corporation, of which Citigroup owned a majority interest. He holds a B.S. degree from New York University and attended the University of Michigan Executive Program. He is a Certified Public Accountant in New York State.

STEVEN J. FREIBERG*Age: 62**Director Since: 2014**Chair of the Compensation**Committee**Member of the Audit**Committee*

Mr. Freiberg has been a director of Regional since July 2014. He has been a Senior Advisor to The Boston Consulting Group since December 2012. Previously, Mr. Freiberg served as Interim Chief Financial Officer of Social Finance, Inc. from May 2017 until April 2018, and as a director and the Chief Executive Officer of E*TRADE Financial Corporation from April 2010 until August 2012. Prior to joining E*TRADE, Mr. Freiberg spent 30 years at Citigroup and its predecessor companies and affiliates. Among his notable roles at Citigroup, Mr. Freiberg served as Co-Chairman/Chief Executive Officer of Citigroup's Global Consumer Group, Chairman and Chief Executive Officer of Citi Cards Citigroup's leading global credit card business and Chairman and Chief Executive Officer of Citigroup's North American Investment Products Division. Additionally, he was a member of Citigroup's Executive, Management, and Operating Committees, and he served on the board of directors of several of Citigroup's affiliates, including Citibank N.A., Citicorp Credit Services Inc., Citicorp Investment Services, Citicorp Insurance Group, Citibank Trust N.A., Citibank FSB, and the Citigroup Foundation. Mr. Freiberg has served on the board of directors of MasterCard Incorporated, a publicly-traded multinational financial services corporation, since September 2006 and currently chairs its audit committee. He also served on the former U.S. region board of MasterCard from January 2001 until May 2006 and served as Chairman of MasterCard's United States region board from 2004 until May 2006. In addition, Mr. Freiberg serves on the board of directors or equivalent governing body of Social Finance, Inc. (a private online personal finance company that provides student loan refinancing, mortgages, and

personal loans), Fair Square Financial, LLC (a private credit card issuer that provides credit cards to near-prime customers), and Purchasing Power, LLC (a private specialty e-retailer offering consumer products, vacations, and online education services through payment plans). Mr. Freiberg recently became the Chair of The Rewards Network, one of the largest merchant-funded, card-linked reward networks in the United States.

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PETER R. KNITZER

Age: 60

President and Chief Executive Officer

Director Since: 2015

Mr. Knitzer has served as President and Chief Executive Officer of Regional since May 2017. From August 2016 until May 2017, Mr. Knitzer served as Chief Executive Officer of Regional. He has also been a director of Regional since July 2015. Before joining Regional, Mr. Knitzer acted as an advisor to financial services companies since 2013. Prior to 2013, he served as Executive Vice President and head of the Payments group at CIBC and President and Director at E*TRADE Bank. Prior to joining E*TRADE, Mr. Knitzer spent 14 years at Citigroup in various senior roles, including Chairman and Chief Executive Officer of Citibank North America; Business Head, Cross-Sell Customer Management for all Citigroup businesses; and EVP/Managing Director of Citi Cards, Citigroup's leading global credit card business. Mr. Knitzer has also previously held senior marketing positions at Chase Manhattan Bank, American Express, and Nabisco Brands. He received his M.B.A. in Marketing and Finance from Columbia University Graduate School of Business and his B.A. in Political Science from Brown University. Mr. Knitzer also served as a Director for Habitat for Humanity from 2008 to 2014, including Board Chair from 2011 to 2013, and on the Advisory Board of Columbia University Business School's Lang Center for Entrepreneurship from 2015 to 2018.

CARLOS PALOMARES

Age: 74

Director Since: 2012

Chair of the Audit Committee

Member of the Compensation Committee

Mr. Palomares has been a director of Regional since March 2012. Since 2007, Mr. Palomares has been President and Chief Executive Officer of SMC Resources, a consulting practice that advises senior executives on business and marketing strategy. From 2001 to 2007, Mr. Palomares was Senior Vice President at Capital One Financial Corp., and he was Chief Operating Officer of Capital One Federal Savings Bank banking unit from 2004 to 2007. Prior to joining Capital One, Mr. Palomares held a number of senior positions with Citigroup Inc. and its affiliates, including Chief Operating Officer of Citibank Latin America Consumer Bank from 1998 to 2001, Chief Financial Officer of Citibank North America Consumer Bank from 1997 to 1998, Chairman and CEO of Citibank Italia from 1990 to 1992, and President and CEO of Citibank FSB Florida from 1992 to 1997. Mr. Palomares serves on the Boards of Directors of Pan American Life Insurance Group, Inc. and the Coral Gables Trust Company. Mr. Palomares earned a B.S. degree in Quantitative Analysis from New York University.

There are no family relationships among any of our directors or executive officers.

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Matrix of Director Skills, Experience, and Demographic Background

The following table provides our stockholders and other interested parties with an overview of our directors' skills, experience, and demographic background. These qualities are of particular value to our business and led the Nominating Committee and the Board to conclude that such individuals would provide valuable contributions to our company and should therefore serve our company as its directors.

	Alvaro G. de Molina	Jonathan D. Brown	Roel C. Campos	Maria Contreras-Sweet	Michael R. Dunn	Steven J. Freiberg	Peter R. Knitzer	Carlos Palomares
Skills and Experience								
Financial Services Industry								
Other Public Co. Board of Directors								
Executive Management								
Entrepreneurship/Business Operations								
Credit Risk Management								
Corporate Finance or Capital Allocation								

Skills and Experience

Financial Services Industry

Other Public Co. Board of Directors

Executive Management

Entrepreneurship/Business Operations

Credit Risk Management

Corporate Finance or Capital Allocation

Marketing and/or Public
Relations

Marketing to Hispanic
Population

Mergers and Acquisitions

Human
Resources/Executive
Comp

Cybersecurity or
Technology/Innovation

Corporate Governance

Government Affairs

Regulatory and/or SEC
Compliance

Audit Committee
Financial Expert

SOX and Internal Audit

Risk Management

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Business Ethics

Investor Relations

Demographic Background

Board Tenure and Independence

Year First Appointed or Elected	2012	2018	2012	2018	2014	2014	2015	2012
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Board Independent

Gender

Male

Female

Age

Years Old	61	34	70	63	67	62	60	74
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Race/Ethnicity

White/Caucasian

Hispanic/Latino

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Board Independence

Ms. Contreras-Sweet and Messrs. Brown, Campos, Freiberg, de Molina, and Palomares are each independent in accordance with the criteria established by the NYSE for independent board members. The Board performed a review to determine the independence of its members and made a subjective determination as to each of these independent directors that no transactions, relationships, or arrangements exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of the Company. In making these determinations, the Board reviewed the information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and its management. We define an independent director in accordance with Section 303A.02 of the NYSE Rules. The categorical standards that the Board has established to assist it in making independence determinations can be found in our Corporate Governance Guidelines on our Investor Relations website at www.regionalmanagement.com.

Leadership Structure

As described in the Corporate Governance Guidelines, the Board may select its Chair and our Chief Executive Officer in any way that it considers to be in our best interests. Therefore, the Board does not have a policy on whether the roles of Chair and Chief Executive Officer should be separate or combined and, if they are to be separate, whether the Chair should be selected from the independent directors.

Mr. de Molina currently serves as Chair of our Board. At this time, the Board believes that the separation of the roles of Chair and Chief Executive Officer promotes communication between the Board, the Chief Executive Officer, and other senior management, and enhances the Board's oversight of management. We believe that our leadership structure provides increased accountability of our Chief Executive Officer to the Board and encourages balanced decision-making. We also separate the roles in recognition of the differences in the roles. While the Chief Executive Officer is responsible for day-to-day leadership of the Company and the setting of strategic direction, the Chair of the Board provides guidance to the Chief Executive Officer and coordinates and manages the operation of the Board and its committees.

At this time, the Board believes that its current leadership structure, with an independent Chair of the Board, is appropriate for the Company and provides many advantages to the effective operation of the Board. The Board will periodically evaluate and reassess the effectiveness of this leadership structure.

Meetings

The Board held 18 meetings during the fiscal year ended December 31, 2018. During 2018, each director attended more than 75% of the total number of meetings of the Board and committees on which he or she served. In addition to formal Board meetings, our Board communicates from time to time via telephone, electronic mail, and informal meetings, and our Board and its committees may act by written consent in lieu of a formal meeting. Our non-employee directors met in executive session following each of our regular, quarterly Board meetings in 2018, and the independent members of our Board also periodically met in executive session in 2018. Mr. de Molina presides over each executive session of our non-employee directors and independent directors.

Other than an expectation set forth in our Corporate Governance Guidelines that each director will make every effort to attend the annual meeting of stockholders, we do not have a formal policy regarding the directors' attendance at annual meetings. All of our directors attended our last annual meeting of stockholders held on April 25, 2018.

Table of Contents**Committees of the Board**

Our Board has three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. The composition and responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our Board.

	Audit	Compensation	Corporate Governance and Nominating
Roel C. Campos			Chair
Maria Contreras-Sweet			
Steven J. Freiberg		Chair	
Alvaro G. de Molina			
Carlos Palomares	Chair		
Number of Meetings Held in 2018:	5	6	5

Audit Committee

The Audit Committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee consists of Messrs. Palomares (Chair), Freiberg, and de Molina. In accordance with SEC rules and NYSE rules, each of the members of our Audit Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of audit committee membership independence. In addition, the Board has examined the SEC's definition of audit committee financial expert and has determined that Messrs. Palomares, Freiberg, and de Molina satisfy this definition.

Pursuant to the Audit Committee's written charter, our Audit Committee is responsible for, among other things:

selecting and hiring our independent registered public accounting firm, and pre-approving the audit and non-audit services to be performed by our independent auditors;

discussing the scope and results of the audit with the independent registered public accounting firm;

assisting the Board in evaluating the qualifications, performance, and independence of our independent auditors;

assisting the Board in monitoring the quality and integrity of our financial statements and our accounting and financial reporting processes;

assisting the Board in monitoring our compliance with legal and regulatory requirements;

assisting the Board in reviewing the adequacy and effectiveness of our internal control over financial reporting processes;

assisting the Board in monitoring the performance of our internal audit function;

reviewing with management and our independent auditors our annual and quarterly financial statements;

establishing procedures for the receipt, retention, and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by our employees and others of concerns regarding questionable accounting or auditing matters; and

preparing the audit committee report that the SEC requires in our annual proxy statement.

The Audit Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Audit Committee, is posted on our Investor Relations website at www.regionalmanagement.com. A stockholder may request a copy of the Audit Committee Charter by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, South Carolina 29651. The Audit Committee held five meetings during the fiscal year ended December 31, 2018.

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Compensation Committee

Our Compensation Committee consists of Mr. Freiberg (Chair), Mr. Campos, Ms. Contreras-Sweet, and Mr. Palomares. Ms. Contreras-Sweet was appointed to the Compensation Committee in October 2018. In accordance with NYSE rules, each of the members of our Compensation Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of compensation committee membership independence. Pursuant to the Compensation Committee's written charter, our Compensation Committee is responsible for, among other things:

reviewing and approving, or making recommendations to the Board with respect to, corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating our Chief Executive Officer's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the Board), determining and approving our Chief Executive Officer's compensation level based on such evaluation;

reviewing and approving the compensation of our executive officers, including annual base salary, annual incentive bonuses, specific goals, equity compensation, employment agreements, severance and change-in-control arrangements, and any other benefits, compensation, or arrangements;

reviewing and recommending the compensation of our directors;

reviewing and discussing annually with management our Compensation Discussion and Analysis ;

preparing the Report of the Compensation Committee; and

reviewing and making recommendations with respect to our equity compensation plans.

The Compensation Committee is entitled to delegate any or all of its responsibilities to subcommittees of the Compensation Committee. Additionally, the Compensation Committee may delegate to one or more of our officers the authority to make grants and awards of cash or options or other equity securities to any of our non-Section 16 officers under our incentive-compensation or other equity-based plans, as the Compensation Committee deems appropriate and in accordance with the terms of such plans, provided that such delegation is in compliance with such plans and applicable law.

The Compensation Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Compensation Committee, is posted on our Investor Relations website at www.regionalmanagement.com. A stockholder may request a copy of the Compensation Committee Charter by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, South Carolina 29651. The Compensation Committee held six meetings during the fiscal year ended December 31, 2018.

Corporate Governance and Nominating Committee

Our Nominating Committee consists of Mr. Campos (Chair), Ms. Contreras-Sweet, and Mr. de Molina. Ms. Contreras-Sweet was appointed to the Nominating Committee in January 2018, replacing Mr. Palomares. In accordance with NYSE rules, each of the members of our Nominating Committee is an independent director in accordance with the criteria established by the NYSE for the purpose of corporate governance and nominating committee membership independence. Pursuant to the Nominating Committee's written charter, the Nominating Committee is responsible for, among other things:

assisting our Board in identifying prospective director nominees and recommending nominees to the Board;

overseeing the evaluation of the Board;

reviewing developments in corporate governance practices and developing, recommending, and maintaining a set of corporate governance guidelines; and

recommending members for each committee of our Board.

The Nominating Committee will consider a candidate for director proposed by a stockholder. A candidate must be highly qualified and be both willing to serve and expressly interested in serving on the Board. A stockholder wishing to propose a candidate for the Nominating Committee's consideration in connection with the Company's 2020 annual meeting of stockholders (the 2020 Annual Meeting) should forward the candidate's name and information about the candidate's qualifications to Regional Management Corp., 979 Batesville Road, Suite B, Greer, South Carolina 29651, Attn: Corporate Secretary, not earlier than December 27, 2019 nor later than January

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26, 2020. If, following the filing and delivery of these proxy materials, the date of the 2020 Annual Meeting is advanced or delayed by more than 20 calendar days from the one-year anniversary date of the 2019 Annual Meeting, we will, in a timely manner, provide notice to our stockholders of the new date of the 2020 Annual Meeting and the new dates by which stockholder proposals submitted both pursuant to and outside of SEC Rule 14a-8 must be received by the Company. Such notice will be included in the earliest possible Quarterly Report on Form 10-Q under Part II, Item 5.

The Nominating Committee will select individuals, including candidates proposed by stockholders, as director nominees who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment, and who will be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of our stockholders. In evaluating nominees, the Nominating Committee will consider, among other things, the director qualifications described above and will apply the objectives outlined in the Diversity Policy.

The Nominating Committee Charter, which contains a more complete explanation of the roles and responsibilities of the Nominating Committee, is posted on our Investor Relations website at www.regionalmanagement.com. A stockholder may request a copy of the Nominating Committee Charter by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, South Carolina 29651. The Nominating Committee held five meetings during the fiscal year ended December 31, 2018.

Role in Risk Oversight

As part of its role in risk oversight, our Audit Committee is responsible for reviewing our risk assessment and risk management practices, and for discussing its findings with both management and our independent registered public accounting firm. The Board and the Audit Committee periodically review the risks that may potentially affect us, as identified and presented by management, including risks reflected in our periodic filings. For example, on a periodic basis, members of the Board and the Audit Committee engage with management and/or third-party consultants to assess the cyber threat landscape, to evaluate our information security program, to review the results of penetration testing, and to analyze the design, effectiveness, and ongoing enhancement of our capabilities to monitor, prevent, and respond to cyber threats and events. The Board may also request supplemental information and disclosure about any other specific area of interest and concern relevant to risks it believes are faced by us and our business.

The Board believes that our current leadership structure enhances its oversight of risk management because our Chief Executive Officer, who is ultimately responsible for our risk management process, is in the best position to discuss with the Board these key risks and management's response to them by also serving as a director of the Company.

Code of Business Conduct and Ethics

Our Board has adopted a Code of Business Conduct and Ethics (the Code of Ethics). The Code of Ethics applies to all of our directors, officers, and employees and must be acknowledged in writing by our Chief Executive Officer and Chief Financial Officer. In February 2018, the Board approved certain amendments to the Code of Ethics, which were intended to update and bring the Code of Ethics more in line with current best practices. The Code of Ethics is posted on our Investor Relations website at www.regionalmanagement.com. A stockholder may request a copy of the Code of Ethics by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, South Carolina 29651. To the extent permissible under applicable law, the rules of the SEC, and NYSE listing standards, we intend to disclose on our website any amendment to our Code of Ethics, or any grant of a waiver from a provision of our Code of Ethics, that requires disclosure under applicable laws, the rules of the SEC, or NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

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During the fiscal year ended December 31, 2018, Mr. Campos, Ms. Contreras-Sweet, Mr. Freiberg, and Mr. Palomares served on our Compensation Committee, with Ms. Contreras-Sweet having been appointed to the Compensation Committee in October 2018. No member of the Compensation Committee has ever served as an officer or employee of the Company or any of its subsidiaries or had any relationship during the fiscal year ended December 31, 2018 that would be required to be disclosed pursuant to Item 404 of Regulation S-K. In addition, during the fiscal year ended December 31, 2018, none of our executive officers served on the compensation

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committee (or equivalent) or the board of directors of another entity whose executive officer(s) served on our Board or Compensation Committee.

Communications with the Board

Each member of the Board is receptive to and welcomes communications from our stockholders and other interested parties. Stockholders and other interested parties may contact any member (or all members) of the Board, including, without limitation, the Chair of the Board, any independent director, or the independent directors as a group, by addressing such communications or concerns to our Corporate Secretary, 979 Batesville Road, Suite B, Greer, South Carolina, 29651, who will forward such communications to the appropriate party.

If a complaint or concern involves accounting, internal accounting controls, or auditing matters, the correspondence will be forwarded to the chair of the Audit Committee. If no particular director is named, such communication will be forwarded, depending on the subject matter, to the chair of the Audit Committee, Compensation Committee, or Nominating Committee, as appropriate.

Anyone who has concerns regarding (i) questionable accounting, internal accounting controls, and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of our accounting policies, (ii) compliance with legal and regulatory requirements, or (iii) retaliation against employees who voice such concerns, may communicate these concerns by writing to the attention of the Audit Committee as set forth above, or by calling (800) 224-2330 at any time.

Director Compensation

Quality non-employee directors are critical to our success. We believe that the two primary duties of non-employee directors are to effectively represent the long-term interests of our stockholders and to provide guidance to management. As such, our compensation program for non-employee directors is designed to meet several key objectives:

Adequately compensate directors for their responsibilities and time commitments and for the personal liabilities and risks that they face as directors of a public company;

Attract the highest caliber non-employee directors by offering a compensation program consistent with those at companies of similar size, complexity, and business character;

Align the interests of directors with our stockholders by providing a significant portion of compensation in equity and requiring directors to own our stock; and

Provide compensation that is simple and transparent to stockholders and reflects corporate governance best practices.

The Compensation Committee, with the assistance of the Compensation Committee's executive compensation consultant, reviews the compensation of our non-employee directors. In benchmarking director compensation, we use the same compensation peer group that is used to benchmark compensation for our named executive officers (see

Compensation Discussion and Analysis Compensation Objectives and Approaches Compensation Determination Process for information about the peer group).

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Our employees who serve as directors receive no separate compensation for service on the Board or on committees of the Board. We maintain a non-employee director compensation program structured as follows:

Board Cash Retainer: Prior to April 25, 2018, each non-employee director received an annual cash retainer of \$30,000 payable in quarterly installments (\$50,000 in the case of the chair or lead independent director, if applicable, of the Board). Effective April 25, 2018, the annual cash retainer increased to \$70,000 (\$90,000 in the case of the chair or lead independent director, if applicable, of the Board).

Committee Member Cash Retainer: Prior to April 25, 2018, each member of the Audit Committee, Compensation Committee, and Nominating Committee received an additional annual cash retainer of \$10,000 payable in quarterly installments (\$20,000 in the case of the chair of each committee). Effective April 25, 2018, the additional annual cash retainer decreased to \$8,750 (\$17,500 in the case of the chair of each committee).

Committee Meeting Fees: Prior to April 25, 2018, each member of the Audit Committee, Compensation Committee, and Nominating Committee received a \$1,500 meeting fee for each committee meeting attended. Effective April 25, 2018, we no longer pay committee meeting fees.

Board Equity-Based Award: Each non-employee director receives, on an annual basis, shares of restricted common stock with a value equal to \$90,000 (\$110,000 in the case of the chair or lead independent director, if applicable, of the Board).

Committee Member Equity-Based Award: Prior to April 25, 2018, each member of the Audit Committee, Compensation Committee, and Nominating Committee received, on an annual basis, additional shares of restricted common stock with a value equal to \$10,000 (\$20,000 in the case of the chair of each committee). Effective April 25, 2018, committee members instead receive additional shares of restricted common stock with a value equal to \$8,750 (\$17,500 in the case of the chair of each committee).

The restricted stock awards (each, an RSA) are granted on the fifth business day following the date of the annual stockholders' meeting at which directors are elected. The number of shares subject to the RSA is determined by dividing the value of the award by the closing price per share of common stock on the grant date (rounded down to the nearest whole share). The RSA vests and becomes non-forfeitable as to 100% of the underlying shares on the earlier of the first anniversary of the grant date or the date of the next annual stockholders' meeting, subject to the director's continued service from the grant date until the vesting date, or upon the earlier occurrence of the director's termination of service as a director by reason of death or disability or upon a change in control of the Company. In the event of the director's termination of service for any other reason, the director forfeits the RSA immediately. The RSA is subject to the terms and conditions of the Regional Management Corp. 2015 Long-Term Incentive Plan (as amended and restated, effective April 27, 2017) (the 2015 Plan) and an RSA agreement, the form of which was previously approved by the Compensation Committee and the Board and filed with the SEC.

Under the 2015 Plan, the maximum number of shares of common stock subject to awards granted during any 12-month period to a non-employee director, taken together with any cash fees paid during such 12-month period to such non-employee director in respect of Board service, may not exceed \$600,000 in total value (calculating the value

of any such awards based on the fair market value per share of common stock on the grant date of the award). In the event that the service of a director as a director, committee member, or Board or committee chair commences or terminates during the director's annual service to us, the director's cash compensation will be adjusted on a pro-rata basis. Annual service relates to the approximately 12-month period between our annual meetings of stockholders. Each director is also reimbursed for reasonable out-of-pocket expenses incurred in connection with his or her service on our Board, including the cost of attending continuing education seminars related to corporate board of directors service and other topics relevant to the Company.

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The following table provides information regarding the compensation paid to each of our non-employee directors for their service as non-employee directors during the fiscal year ended December 31, 2018.

Name⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)⁽²⁾	Total (\$)
Directors:			
Jonathan D. Brown	55,279	112,212	167,491
Roel C. Campos	95,297	116,231	211,528
Maria Contreras-Sweet	68,370	123,452	191,822
Michael R. Dunn	57,363	89,976	147,339
Steven J. Freiberg	95,297	116,231	211,528
Alvaro G. de Molina	104,652	127,478	232,130
Carlos Palomares	96,020	116,231	212,251

- (1) The compensation shown in the table reflects pro-rated amounts based on the following: (a) Mr. Brown and Ms. Contreras-Sweet were appointed as directors in January 2018, at which time Ms. Contreras-Sweet was also appointed to the Nominating Committee; (b) in January 2018, Mr. Palomares resigned from the Nominating Committee; and (c) in October 2018, Ms. Contreras-Sweet was appointed to the Compensation Committee.
- (2) At the time of the appointment of Mr. Brown and Ms. Contreras-Sweet as directors in January 2018, in accordance with the non-employee director compensation program outlined above, we awarded Mr. Brown and Ms. Contreras-Sweet shares of restricted common stock in the following amounts: Mr. Brown, 799 shares, and Ms. Contreras-Sweet, 888 shares. These RSAs vested on the date of the 2018 annual stockholders meeting. In addition, on May 2, 2018, in accordance with the non-employee director compensation program outlined above, we awarded all of the Company's non-employee directors shares of restricted common stock in the following amounts: Mr. Brown, 2,608 shares; Mr. Campos, 3,369 shares; Ms. Contreras-Sweet, 2,862 shares; Mr. Dunn, 2,608 shares; Mr. Freiberg, 3,369 shares; Mr. de Molina, 3,695 shares; and Mr. Palomares, 3,369 shares. These annual RSAs vest on the earlier of the first anniversary of the grant date or the date of the next annual stockholders meeting, subject to continued service of the director until the vesting date or as otherwise provided in the award agreement. Amounts shown are the aggregate grant date fair value of stock awards computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718.

The total number of shares subject to RSAs held by each of our non-employee directors as of December 31, 2018 was: Mr. Brown, 2,608 shares; Mr. Campos, 3,369 shares; Ms. Contreras-Sweet, 2,862 shares; Mr. Dunn, 2,608 shares; Mr. Freiberg, 3,369 shares; Mr. de Molina, 3,695 shares; and Mr. Palomares, 3,369 shares. In addition, as of December 31, 2018, Mr. Dunn held a performance-contingent restricted stock unit (RSU) award granted to him during his service as our Chief Executive Officer, pursuant to which 10,166 target shares remained outstanding. This RSU vested on December 31, 2018, and in March 2019, our Compensation Committee determined that 116.5% of the target shares were earned based upon our performance over a three-year performance period that began on January 1, 2016 and ended on December 31, 2018. The total number of shares subject to non-qualified stock options held by each of our non-employee directors as of December 31, 2018 was: Mr. Campos, 28,670 shares; Mr. Dunn, 148,866 shares; Mr. Freiberg, 17,941 shares; Mr. de Molina, 30,166 shares; and Mr. Palomares, 28,670 shares. Mr. Brown and Ms. Contreras-Sweet had no option awards outstanding as of December 31, 2018. The outstanding equity awards held by Mr. Knitzer as of December 31, 2018 are set forth in the Outstanding Equity Awards at Fiscal Year-End table that is presented elsewhere in this Proxy Statement.

In February 2018, our Compensation Committee increased our director stock ownership requirement from 3x to 5x the annual cash retainer, placing the dollar value of the ownership requirement in the 90th percentile of our peer group.

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The following is a brief description of the background, business experience, and certain other information regarding each of our executive officers:

Peter R. Knitzer (age 60) has served as President and Chief Executive Officer of Regional since May 2017. From August 2016 until May 2017, Mr. Knitzer served as Chief Executive Officer of Regional. He has also been a director of Regional since July 2015. Mr. Knitzer's full biographical information is set forth above under Board of Directors and Corporate Governance Matters - Current Directors and Director Nominees.

John D. Schachtel (age 57) has served as Executive Vice President and Chief Operating Officer of Regional since May 2017. Mr. Schachtel has more than 30 years of experience in consumer financial services. From 2013 until 2016, Mr. Schachtel was the Chief Operating Officer of OneMain Financial Holdings, Inc. (formerly known as CitiFinancial). As Chief Operating Officer of OneMain Financial, Mr. Schachtel's responsibilities included management and oversight of sales, field operations, marketing, and collections. Prior to assuming the Chief Operating Officer role, Mr. Schachtel served for over 10 years as OneMain/CitiFinancial's Executive Vice President, Northeast and Midwest Division. Mr. Schachtel also held various other positions at OneMain/CitiFinancial during his 29-year career with the company, including Operations Director and Director of Field Compensation, New Branch Development, and Project Management, before becoming Senior Vice President of Corporate Marketing in 1999. Since March 2017, Mr. Schachtel has also served as a member of the Board of Directors of SilverSun Technologies, Inc., a publicly-traded business application, technology, and consulting company. He serves as the chairman of SilverSun's compensation committee and as a member of its audit committee and its nominating and corporate governance committee. He received his M.B.A. in Finance from New York University and his B.S. degree in Industrial Engineering and Economics from Northwestern University.

Donald E. Thomas (age 60) has served as Executive Vice President and Chief Financial Officer of Regional since January 2013. Mr. Thomas has over 30 years of finance and accounting experience in public and private companies, having previously served since April 2010 as Chief Financial Officer of TMX Finance LLC, a title lending company. Prior to joining TMX Finance LLC, Mr. Thomas spent 17 years with 7-Eleven, an operator of convenience stores, where he served in various capacities, including Chief Accounting Officer and Controller, acting Chief Financial Officer, Vice President of Operations, and Vice President of Human Resources. Prior to 7-Eleven, Mr. Thomas spent 11 years in the audit function of Deloitte & Touche LLP and one year with the Trane Company as a financial manager. Mr. Thomas earned accounting and finance degrees from Tarleton State University and is a certified public accountant and certified global management accountant.

Daniel J. Taggart (age 46) has served as Executive Vice President and Chief Credit Risk Officer of Regional since October 2018. From January 2015 (when he joined Regional) until October 2018, he served as Senior Vice President and Chief Risk Officer. Prior to joining Regional, Mr. Taggart was Executive Vice President of Agility 360, a financial services consultancy. Prior to that, he was Senior Vice President at Wingspan Portfolio Advisors, a specialty mortgage service provider, and also served as Executive Vice President of REDC Default Solutions LLC, a startup division of Auction.com, LLC, a mortgage loss mitigation subservicing company. Before joining REDC Default Solutions LLC, Mr. Taggart spent 11 years at Citigroup, where he held a variety of positions, including Senior Vice President and Senior Credit Officer of CitiMortgage Default Risk Management, Senior Vice President and Senior Credit Officer of Retail Distribution Risk Management, and Senior Vice President and Chief Credit Officer of CitiFinancial (now known as OneMain Financial). Mr. Taggart has also worked for The Associates (prior to its acquisition by Citigroup), FirstPlus Financial, and Fleet Bank in risk management and loan servicing functions. Mr. Taggart received his B.S. in Finance from Canisius College.

Brian J. Fisher (age 35) has served as Senior Vice President, General Counsel, and Secretary of Regional since February 2018. From January 2013 (when he joined Regional) until February 2018, he served as Vice President, General Counsel, and Secretary. Prior to joining Regional, Mr. Fisher was an attorney in the Corporate and Securities practice group of Womble Carlyle Sandridge and Rice, LLP (now known as Womble Bond Dickinson (US) LLP) from 2009 to 2013. Mr. Fisher holds a B.A. degree in Economics from Furman University and a J.D. degree from the University of South Carolina School of Law.

There are no family relationships among any of our directors or executive officers.

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COMPENSATION DISCUSSION AND ANALYSIS

The following discussion of the compensation arrangements of our executive officers should be read together with the compensation tables and related disclosures contained elsewhere in this Proxy Statement. Actual compensation programs that we adopt following the date of this Proxy Statement may differ materially from the existing and currently planned programs summarized in this discussion.

Executive Summary of Compensation Programs

Company Performance and Business Highlights in 2018

We produced another set of strong operating and financial results in 2018, including double-digit growth of our loan portfolio, total revenue, and diluted earnings per share.

Loan Portfolio Growth: Our loan portfolio grew by \$115 million to \$932 million, an increase of 14.0% from the prior year our fourth consecutive year of double-digit portfolio growth. Our core portfolio of small and large installment loans grew by 21.1%, led by continued, significant expansion in our large loan category.

Increased Revenues and Improved Receivable Efficiency Ratio: Revenues of \$307 million in 2018 were up 12.6% from 2017, while operating expenses as a percentage of average finance receivables decreased to 16.4% in 2018 from 17.6% in 2017.

Increased Earnings: Net income for 2018 was \$35.3 million and diluted EPS was \$2.93, increases of 18.0% and 15.4%, respectively, from 2017.

Long-Term Stock Price Growth: Our stock price at the close of 2018 was \$24.05, down from \$26.31 at the end of 2017 but up sharply from our stock price of \$15.47 at the end of 2015.

In addition, in 2018, we achieved a number of other operating milestones. In February, we completed our transition to a new loan origination and servicing system, a process that began in 2015. Our new system has allowed us to introduce electronic payments, texting and imaging capabilities, an online customer portal, improved lead management, and automated underwriting across our branch network. In the second half of 2018, we began to integrate custom credit models into our automated underwriting processes, which we believe provide a significant improvement over the previous criteria used for underwriting. We also continued to diversify our funding sources in 2018 by closing our first asset-backed securitization (ABS) transaction in June, followed by a second ABS transaction in December. Finally, in September and October, we expanded our geographic presence by entering our 10th and 11th states of operation, Missouri and Wisconsin.

We were pleased with our 2018 results, and we believe that the compensation paid to our named executive officers (our NEOs) for 2018 appropriately reflects and rewards their contributions to our performance.

Compensation Program Highlights in 2018

At our 2018 annual meeting of stockholders, we included a proposal that provided our stockholders with the opportunity to vote to approve, on an advisory basis, the compensation of our NEOs. Because we only ceased to be an emerging growth company under the Jumpstart Our Business Startups Act in 2018, this was our first annual meeting of stockholders that included such a say-on-pay proposal. We were pleased to report that our stockholders' approval of our NEOs' compensation was nearly unanimous, with 99.8% of voted shares having been voted in favor of approval.

In 2018, our Compensation Committee carefully reviewed our executive compensation program to ensure that it is designed to achieve its intended objectives and continues to reflect executive compensation best practices. In light of the numerous improvements to our executive compensation program in the years prior to 2018 and our stockholders' overwhelming support of the program, our Compensation Committee determined not to make any material changes to our executive compensation program in 2018. In making its determination, our Compensation Committee received advice from its independent compensation consultant, Veritas Executive Compensation Consultants (Veritas).

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Compensation Program Best Practices

The primary objectives of our executive compensation program are to attract and retain talented executives to effectively manage and lead our company and to create long-term stockholder value. We compensate our executive officers primarily through a mix of base salary, performance-based annual cash awards, and service- and performance-based long-term incentive awards. Consistent with our pay-for-performance philosophy, a substantial portion of our executives' compensation is at risk and linked to the successful performance and management of our company, as measured against rigorous performance goals established by our Compensation Committee. Our 2018 executive compensation program continued to include a number of best compensation practices, including the following:

Alignment of executive pay with company performance:

2018 incentives are largely performance-contingent, with long-term incentive awards roughly two-thirds performance-contingent and short-term incentive awards entirely performance-contingent

Performance goals are rigorous and are based almost exclusively on objective, quantitative criteria

2018 sh