UNIVEST CORP OF PENNSYLVANIA
Form DEF 14A
March 17, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant [x]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[x] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material under Rule 14a-12

Univest Corporation of Pennsylvania
(Name of the 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):

[x] No fee required.
[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:

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[ ] 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:

14 North Main Street P.O. Box 197
Souderton, Pennsylvania 18964

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
April 19, 2016

TO THE HOLDERS OF COMMON STOCK:

The Annual Meeting of Shareholders of Univest Corporation of Pennsylvania will be held on Tuesday, April 19, 2016, at 10:45 a.m., at the Indian Valley Country Club, 650 Bergey Road, Telford, Pennsylvania 18969.

Univest's Board of Directors recommends a vote:

1. FOR the election of five Class II Directors each for a three-year term expiring in 2019 and one Alternate Director for a one-year term expiring in 2017 and until their successors are elected and qualified.
2. FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2016.
3. FOR the approval of, on an advisory basis, the compensation of our named executive officers as presented in this Proxy Statement.

Such other business, of which none is anticipated, as may properly come before the meeting or any postponements or adjournments thereof will be considered at the annual meeting.

The close of business on February 19, 2016, has been fixed by the Board of Directors as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

The accompanying Proxy Statement forms a part of this notice.

SEPARATE PROXY CARDS ARE ENCLOSED TO SHAREHOLDERS FOR THE PURPOSE OF VOTING ALL THEIR SHARES OF THE CORPORATION'S COMMON STOCK. IT IS IMPORTANT THAT EACH SHAREHOLDER EXERCISE HIS/HER RIGHT TO VOTE. Whether or not you plan to attend the meeting, please take a moment now to cast your vote over the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or alternatively, to complete, sign, and date the enclosed proxy card and return it in the postage-paid envelope we have provided in order that your shares will be represented at the meeting. If you attend the meeting, you may vote in person. If you need directions to attend the annual meeting, you may contact the Secretary of Univest by telephone at 215 721 2586 or by e-mail at SantanaM@univest.net.

By Order of the Board of Directors

WILLIAM S. AICHELE, Chairman

MEGAN DURYEA SANTANA , Esq., Secretary

March 17, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 19, 2016
This Proxy Statement, the Notice of Annual Meeting of Shareholders, a form of the Proxy Card and the 2015 Annual Report to Shareholders (which is not a part of the proxy soliciting material) are available at www.ProxyVote.com.

PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors (the "Board") of Univest Corporation of Pennsylvania (the "Corporation" or "Univest"), 14 North Main Street, P.O. Box 197, Souderton, Pennsylvania 18964, for use at the Annual Meeting of Shareholders to be held April 19, 2016, at the Indian Valley Country Club, 650 Bergey Road, Telford, PA 18969 and at any adjournment thereof. Copies of this Proxy Statement and proxies to vote the Common Stock are being sent to the shareholders on or about March 17, 2016. Any shareholder executing a proxy may revoke it at any time by giving written notice to the Secretary of the Corporation before it is voted. Some of the officers of the Corporation or employees of Univest Bank and Trust Co. (the "Bank") and other subsidiary companies or employees of Broadridge Corporate Issuer Solutions, Inc. ("Broadridge"), the Corporation's transfer agent, may solicit proxies personally and by telephone, if deemed necessary. The Corporation will bear the cost of solicitation and will reimburse brokers or other persons holding shares of the Corporation's voting stock in their names, or in the names of their nominees, for reasonable expense in forwarding proxy cards and proxy statements to beneficial owners of such stock.

The person named in the proxy will vote in accordance with the instructions of the shareholder executing the proxy, or in the absence of any such instruction, for or against on each matter in accordance with the recommendations of the Board set forth in the proxy.

Univest's Board of Directors recommends a vote:

1. FOR the election of five Class II Directors each for a three-year term expiring in 2019 and one Alternate Director for a one-year term expiring in 2017 and until their successors are elected and qualified.
2. FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2016.
3. FOR the approval of, on an advisory basis, the compensation of our named executive officers as presented in this Proxy Statement.

The Board has fixed the close of business on February 19, 2016, as the record date for the determination of shareholders entitled to notice and to vote at the Annual Meeting. As of February 19, 2016, there were 19,598,742 outstanding shares of Common Stock entitled to be voted at the Annual Meeting.

Holders of record of the Corporation's Common Stock on February 19, 2016 will be entitled to one vote per share on all business of the meeting. The nominees for election as Class II Directors who receive the highest number of votes cast, in person or by proxy, at the meeting will be elected as Class II Directors. The nominee for election as Alternate Director who receives the highest number of votes cast, in person or by proxy, at the meeting will be elected as Alternate Director. Shareholders cannot cumulate votes for the election of Directors. The other matters of business listed in this proxy will be decided by the affirmative vote of a majority of all votes cast, in person and by proxy, at the meeting.

The presence in person or by proxy of the holders of a majority of the outstanding shares of Common Stock will constitute a quorum for the transaction of business at the meeting. If you are the beneficial owner of shares held in the name of a broker, trustee or other nominee and do not provide that broker, trustee or other nominee with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. These matters include the election of Directors and Alternate Director and the advisory vote regarding executive compensation. Abstentions and broker non-votes will be counted as shares present at the meeting for the purpose of determining the existence of a quorum, but will not be counted as votes for or against the election of any nominee for director, alternate director or with respect to any other proposal brought before the meeting.

As of February 19, 2016, Univest Bank and Trust Co. held 1,052,572 shares or 5.4% of the Corporation's outstanding Common Stock in various trust accounts in a fiduciary capacity in its Trust Department. No one trust account has 5% or more of the Corporation's Common Stock.

A copy of the Annual Report to Shareholders, including financial statements for the year ended December 31, 2015, was mailed on March 17, 2016 to each shareholder of record as of February 19, 2016. The Annual Report is not a part of the proxy soliciting material.

ELECTION OF DIRECTORS

The person named in the accompanying proxy intends to vote to elect as Directors and Alternate Director the nominees listed below in each case, unless authority to vote for Directors and Alternate Director is withheld in the proxy. The Bylaws authorize the Board to fix the number of Directors to be elected from time-to-time. By proper motion, it has established the number at five Class II Directors, each to be elected for a three-year term expiring in 2019 and one Alternate Director to be elected for a one-year term expiring in 2017.

The Nominating Committee has recommended the slate of nominees listed below for election as Class II Directors and Alternate Director. Management has been informed that all the nominees are willing to serve as directors or as alternate director, but if any of them should decline or be unable to serve, the persons named in the proxy will vote for the election of such other person or persons as may be designated by the Board, unless the Board reduces the number of directors in accordance with the Corporation's Bylaws.

The following information, as of February 19, 2016, is provided with respect to the nominees for election to the Board.

Class II Directors (each to be elected for a three-year term expiring at the 2019 Annual Meeting of Shareholders)*:

Name	Age	Business Experience	Director Since**
William G. Morral, CPA	69	Financial Consultant, Former CFO, Moyer Packing Company	2002
Glenn E. Moyer	64	Chief Executive Officer of Live Oak Strategies, LLC, Board Chair and Trustee of the Wyomissing Foundation, Former Secretary of the Pennsylvania Department of Banking and Securities, Former President and Chief Executive Officer of National Penn Bancshares, Inc. and Elverson National Bank	2015
Jeffrey M. Schweitzer	42	President and Chief Executive Officer of the Corporation and Chief Executive Officer of the Bank; (Has been employed by the Corporation since 2007, most recently as President and Chief Operating Officer prior to this position)	2013
Michael L. Turner	59	Partner, Marshall, Dennehey, Warner, Coleman & Goggin (Law Firm)	2015
Margaret K. Zook	70	Director of Church and Community Relations, Living Branches Retirement Communities (Retirement Community); Board Chair, The Penn Foundation	1999

Alternate Director (to be elected for a one-year term expiring at the 2017 Annual Meeting of Shareholders)*:

Name	Age	Business Experience	Director Since**
Charles Zimmerman	57	Senior Leadership, Calvary Church, Director for the Clemens Family Corporation, Former Chairman of the Department of Practical Theology at Biblical Theological Seminary	2015

The following Directors are not subject to election now as they were elected in prior years for terms expiring in future years.

Class I (each continuing for a three-year term expiring at the 2018 Annual Meeting of Shareholders):

Name	Age	Business Experience	Director Since**
William S. Aichele	65	Chairman of the Corporation and Chairman of the Bank	1990
Jay R. Goldstein	53	President of the Southern Division—Commercial Banking of the Bank; Former President and Chief Executive Officer of Valley Green Bank	2015
Thomas Scannapieco	66	President and Chief Executive Officer of Scannapieco Development Corporation (Real Estate Holding, Management & Development)	2013
Mark A. Schlosser	51	Secretary/Treasurer, Schlosser Steel, Inc.	2005

Class III Directors (each continuing for a three-year term expiring at the 2017 Annual Meeting of Shareholders):

Name	Age	Business Experience	Director Since**
Douglas C. Clemens	59	Chief Executive Officer, The Clemens Family Corporation	2009
R. Lee Delp	69	Principal, R. L. Delp & Company (Business Consulting)	1994
K. Leon Moyer	66	Retired Vice Chairman of the Corporation and Retired President and Chief Executive Officer of the Bank	2005
P. Gregory Shelly	70	President, Shellys US LBM LLC (Building Materials)	1985

* All nominees are currently directors or alternate director.
** Dates indicate initial year as a director or alternate director of the Corporation or the Bank.

The following information, as of February 19, 2016, is provided with respect to the Named Executive Officers of the Corporation not serving as a Director or Alternate Director of the Board.

Name	Age	Current Primary Positions	Current Position Since
Michael S. Keim	48	Senior Executive Vice President and Chief Financial Officer of the Corporation and President and Chief Financial Officer of the Bank; Director of the Bank (Has been employed by the Corporation since 2008, most recently as Senior Vice President, Mortgage Banking, prior to his current position)	2013
Duane J. Brobst	63	Senior Executive Vice President and Chief Risk Officer of the Corporation and the Bank (Has been employed by the Corporation since 1992, most recently as Chief Credit Officer, prior to this position)	2008
Kevin B. Norris	57	President of Wealth Management of the Bank (Has been employed by the Corporation since 2014; formerly President of Girard Partners LTD which was acquired in 2014)	2014
Eric W. Conner	45	Executive Vice President and Chief Technology Officer of the Corporation and the Bank (Has been employed by the Corporation since 2006, most recently as Director of Technology, prior to this position)	2012

Beneficial Ownership of Directors and Officers

Set forth below is certain information concerning the beneficial ownership of our Common Stock by each director, each nominee for director, each named executive officer, and all directors and executive officers as a group as of February 19, 2016, the record date. As of February 19, 2016, BlackRock, Inc., 55 East 52nd Street, New York, NY 10055, had reported that it was the owner of record of 1,195,308 shares of the Corporation's Common Stock; this equated to 6.10% of the Corporation's issued and outstanding common shares. No other persons are known by the Board of Directors to be beneficial owners of more than 5% of the Corporation's Common Stock.

Name	Number of Shares*	Percent
William S. Aichele (1)	196,821	1.00%
Douglas C. Clemens	15,858	**
R. Lee Delp	15,231	**
Jay R. Goldstein	135,672	**
William G. Morral (2)	32,807	**
Glenn E. Moyer	3,000	**
K. Leon Moyer (3)	125,840	**
Thomas Scannapieco (4)	46,603	**
Mark A. Schlosser (5)	27,399	**
Jeffrey M. Schweitzer (6)	73,404	**
P. Gregory Shelly (7)	145,434	**
Michael L. Turner	34,104	**
Charles Zimmerman	3,400	**
Margaret K. Zook	5,858	**
Duane J. Brobst (8)	46,309	**
Eric W. Conner (9)	16,218	**
Michael S. Keim (10)	34,225	**
Kevin B. Norris (11)	13,472	**
All Directors and Executive Officers as a Group (18 persons)	971,655	4.96%

* The shares "Beneficially owned" may include shares owned by or for, among others, the spouse and/or minor children of the individuals and any other relative who has the same home as such individual, as well as other shares as to which the individual has or shares voting or investment power. Beneficial ownership may be disclaimed as to certain of the securities. No securities are pledged as collateral or security. The table includes shares and options to purchase shares that will vest within 60 days of February 19, 2016.

** Beneficially owns less than 1% of the outstanding shares of the Common Stock of the Corporation.

(1) Includes 51,000 shares which may be acquired by the exercise of vested stock options.

(2) Includes 1,439 shares owned by members of Mr. Morral's family and 1,268 shares over which he shares voting and/or investment power. He disclaims beneficial ownership of these shares.

(3) Includes 6,973 shares owned by members of Mr. Moyer's family. He disclaims beneficial ownership of these shares. Also included are 39,501 shares which may be acquired by the exercise of vested stock options.

(4) Includes 33,480 shares owned by members of Mr. Scannapieco's family. He disclaims beneficial ownership of these shares.

(5) Includes 23,433 shares over which Mr. Schlosser shares voting and/or investment power and 843 shares owned by a member of his family. He disclaims beneficial ownership of these shares.

(6) Includes 22,667 shares which may be acquired by the exercise of vested stock options.

(7) Includes 41,839 shares owned by members of Mr. Shelly's family. He disclaims beneficial ownership of these shares.

(8) Includes 12,000 shares which may be acquired by the exercise of vested stock options.

(9) Includes 8,000 shares which may be acquired by the exercise of vested stock options.
(10) Includes 6,500 shares which may be acquired by the exercise of vested stock options.
(11) Includes 667 shares for which may be acquired by the exercise of vested stock options.

Section 16 (a) Beneficial Ownership Reporting Compliance

Section 16 (a) of the Securities Exchange Act of 1934 requires the Corporation's Directors and Executive Officers, and persons who own more than ten percent of a registered class of the Corporation's equity securities, to file with the Securities and Exchange Commission (the SEC) initial reports of ownership and reports of changes in ownership of Common Shares and other equity securities of the Corporation. Officers, Directors and greater than ten percent shareholders are required by SEC regulations to furnish the Corporation with copies of all Section 16 (a) forms they file.

To the Corporation's knowledge, based solely on a review of the copies of such reports furnished to the Corporation and written representations that no other reports were required during the fiscal year ended December 31, 2015, all Section 16 (a) reports by its Officers and Directors were timely filed except that two reports on Form 4 by Michael L. Turner for sales totaling 14,905 shares of Common Stock in nineteen transactions on dates from April 29, 2015 through July 27, 2015 were inadvertently filed late.

The Board, the Board’s Committees and Their Functions

The Corporation's Board met ten (10) times during 2015. All of the Directors attended at least 75% of the meetings of the Board and of the committees of which they were members. All Directors are encouraged to attend the annual meeting of shareholders. In 2015, all Directors except one were present at the annual shareholders’ meeting. The Board has established a number of committees, including the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, each of which is described below.

All shareholder correspondence to the Board may be sent to the Corporation and will be forwarded to the appropriate Board member or committee chair. To contact any Board member or committee chair, please mail your correspondence to:

Univest Corporation
Attention (Board Member's name)
Office of the Corporate Secretary
14 N. Main Street
P.O. Box 197
Souderton, PA 18964

Our Board of Directors determined that all directors, with the exception of Mr. Aichele, Mr. Goldstein, Mr. K. L. Moyer and Mr. Schweitzer, are independent within the meaning of the listing standards of the NASDAQ Stock Market and SEC regulations. The Board has determined that a lending relationship resulting from a loan made by the Bank to a director would not affect the determination of independence if the loan complies with Regulation O under the federal banking laws. The Board also determined that maintaining with the Bank a deposit, savings or similar account by a director or any of the director's affiliates would not affect the determination of independence if the account is maintained on the same terms and conditions as those available to similarly situated customers. There are no family relationships among our directors or executive officers.
For more information, see “Related-Party Transactions.”

Board of Director Committees for the Fiscal Year Ended December 31, 2015

Board Member	Audit	Compensation	Nominating and Governance
William S. Aichele	—	—	—
Douglas C. Clemens	X	—	X
R. Lee Delp	—	Chairman	Chairman
Jay R. Goldstein	—	—	—
William G. Morral	Chairman	X	—
Glenn E. Moyer	—	X	—
K. Leon Moyer	—	—	—
Thomas Scannapieco	—	—	—
Mark A. Schlosser	—	X	X
Jeffrey M. Schweitzer	—	—	—

P. Gregory Shelly	X	X	X
Michael L. Turner	X	—	—
Margaret K. Zook	—	—	—

Audit Committee

The Audit Committee's responsibilities include: annual review of and recommendation to the Board for the selection of the Corporation's independent registered public accounting firm, review with the internal auditors and independent registered public accounting firm the overall scope and plans for the respective audits as well as the results of such audits, and review with management, the internal auditors and independent registered public accounting firm the effectiveness of accounting and financial controls, and interim and annual financial reports. All of the members of the Audit Committee are independent as defined in the listing standards of the NASDAQ Stock Market and SEC regulations.

As of January 1, 2011, William G. Morral was named Chairman of the Audit Committee. The Board has determined that Mr. Morral meets the requirements adopted by the SEC and the NASDAQ Stock Market for qualification as an audit committee financial expert. Mr. Morral has served as a member of the Board since 2002. Mr. Morral is a certified public accountant and has experience in the public accounting field as a former partner at Arthur Young and Co. (now Ernst & Young LLP). Mr. Morral's past employment experience as Senior Vice President and Chief Financial Officer of Moyer Packing Company for sixteen years included active supervision of finance, accounting, audit, credit, information technology, payables and payroll, providing him with a high level of financial sophistication and a comprehensive knowledge of internal controls and audit committee functions. An audit committee financial expert is defined as a person who has the following attributes: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal controls and procedures for financial reporting; and (v) an understanding of audit committee functions.

The identification of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than those that are imposed on such person as a member of the Audit Committee and the Board in the absence of such identification. Moreover, the identification of a person as an audit committee financial expert for purposes of the regulations of the Securities and Exchange Commission does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board. Additionally, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for purposes of Section 11 of the Securities Act of 1933.

The Board re-approved the Audit Committee Charter in January 2016. At the January 2016 meeting of the Audit Committee, the Committee re-approved the Audit and Non-Audit Services Pre-Approval Policy. Copies of these documents may be found on the Corporation's Web Site: www.univest.net in the "INVESTOR RELATIONS" section under Governance Documents.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee ("Committee") met five (5) times during 2015. The Committee has reviewed and discussed the audited consolidated financial statements of the Corporation for the year ended December 31, 2015, with the Corporation's management. The Committee has discussed with KPMG LLP (KPMG), the Corporation's independent registered public accounting firm for the fiscal year ended December 31, 2015, the matters required to be discussed by Statement on Auditing Standards No. 16, Communications with Audit Committees (as modified or supplemented.)

The Committee has also received the written disclosures and the letter from KPMG required by Independence Standards Board Standard No. 1 (as modified or supplemented) regarding KPMG’s communications with the audit committee concerning independence, and the Committee has discussed the independence of KPMG with that firm.

Based on the Committee's review and discussions noted above, the Committee recommended to the Board that the Corporation's audited consolidated financial statements be included in the Corporation's Annual Report on Form 10 K for the year ended December 31, 2015, for filing with the Securities and Exchange Commission.

Univest Audit Committee Members:

William G. Morral, Chairman
Douglas C. Clemens
P. Gregory Shelly
Michael L. Turner

Ratification of the Appointment of Independent Registered Public Accounting Firm

The audit committee of the Board has appointed KPMG LLP as our independent registered public accounting firm for 2016. KPMG LLP was first engaged as our independent registered public accounting firm in 2004 and audited our financial statements for 2015.

Although shareholder ratification of the appointment of KPMG LLP as our independent registered public accounting firm is not required by our bylaws or otherwise, the Board has decided to afford our shareholders the opportunity to express their opinions on the matter of our independent registered public accounting firm. Even if the selection is ratified, the Committee at its discretion may select a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of the Corporation and our shareholders. If our shareholders do not ratify the appointment, the Committee will take that fact into consideration, together with such other facts as it deems relevant, in determining its next selection of an independent registered public accounting firm.

A representative from KPMG, as independent registered public accounting firm for the current fiscal year, is expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Independent Registered Public Accounting Firm Fees

The following table presents fees for professional services rendered by KPMG for the integrated audit, including an audit of the Corporation’s annual financial statements and internal controls over financial reporting, and fees billed for other services rendered by KPMG:

	2015	2014(3)
Audit Fees	$822,933	$919,490
Audit Related Fees (1)	76,250	78,091

Tax Fees (2)	121,025	100,300
Total Fees	$1,020,208	$1,097,881

(1) Includes audit of benefit plans and student loan agreed upon procedures. 100% of these fees were approved pursuant to the Audit Committee's pre-approval policy and procedures.

(2) Includes preparation of federal and state tax returns and tax compliance issues. 100% of these fees were approved pursuant to the Audit Committee's pre-approval policy and procedures.

(3) Prior period information has been revised to include fees billed and paid for the 2014 audit after the preparation of the 2015 Proxy Statement.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

2015 Performance Summary

Our focus in 2015 was tied to three strategic priorities:

- Grow Top Line Revenue
  - Revenue increased by 21% over 2014
  - Experienced organic loan growth of 11%
  - Net interest margin increased 9 basis points to 3.96%

- Maximize Efficiency and Manage Cost
  - Closed six financial centers operating in close proximity to other Univest locations with projected annual savings of $1.9 million
  - Implemented a new deposit platform with enhanced workflow which will generate efficiencies and improve the customer experience
  - Converted former Valley Green Bank customers to the Univest core banking platform in April

- Expand and Optimize the Capabilities of Univest to Better Serve Our Customers and Communities
  - Issued $50 million in subordinated debt to enhance our regulatory capital and support both organic and acquisition driven growth
  - Opened two new financial centers in Collegeville and Newtown which are staffed by personal bankers providing a full range of personal solutions and consultative services to our customers
  - Began projects to enhance customer access through updates to our website and mobile app
  - Growth Through Acquisitions
    - Acquisition of Valley Green Bank closed on January 1, 2015
    - Announcement of definitive merger agreement with Fox Chase Bancorp, Inc. on December 8, 2015

While we did not achieve targeted performance for our incentive plan performance measures, actual results were above threshold and on an operating basis (adjusting both 2015 and 2014 net income for integration and acquisition related costs and restructuring charges, as applicable) earnings per share increased more than 7% over 2014. Substantial progress was also made on other important internal goals, such as those noted above which we believe will contribute to improved financial results going forward.

2015 Compensation Summary

- Salaries: 2015 salary increases for the executive officers ranged from 10% - 13%.

- Annual Incentive: Based on 2015 performance, the corporate performance portion of the annual incentive paid out at 71% of target. Because we did not achieve our Plan, our annual incentive paid below target.

- Equity: Similar to prior years, we granted our executives two forms of equity:
  - Performance-vested restricted stock which cliff vests after three years based on relative ROAA to our Board approved peer group.
  - Options which time-vest over four years (1/3 on second anniversary, 1/3 on third anniversary, and 1/3 on fourth anniversary).

- Additional Compensation Policies: In an effort to be responsive to shareholders, we have made two updates to our disclosure:

Ownership Requirements: During 2010, ownership requirements were implemented which we disclose for the first time in this document.

Claw Back: Instituted a claw back provision for 2016 incentives.

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EXECUTIVE COMPENSATION PHILOSOPHY

The principal objective of the Corporation is to maximize shareholder value through the development and enhancement of the Corporation's business operations. To further that objective, the Corporation's executive compensation program is designed to:

- Attract and retain talented employees in leadership positions in the Corporation by recognizing the importance of these individuals in carrying out the Corporation’s Mission Statement, Core Values and Vision Statement: “To be the best integrated financial solutions provider in the market.” These key statements are critical in keeping us focused on our short-term and long-term goals for the success of the Corporation.

- Support strategic performance objectives through the use of compensation programs. The goal of the executive compensation program is to provide the executive with a total compensation package competitive with the market and industry in which the Corporation operates, and to promote the long-term goals, stability and performance of the Corporation. By doing this, we will align the interests of management with those of our shareholders.

- While exact positioning varies by each individual’s experience and responsibilities, our intent is to pay salaries, cash incentives, and equity incentives near the 50th percentile of the market when we meet our targeted performance objectives.

- Support the Corporation’s management development and succession plans.

- Create a mutuality of interest between executive officers and shareholders through compensation structures that share the rewards and risks of strategic decision-making.

- Require executives to acquire substantial levels of ownership of the Corporation’s stock in order to better align the executives' interests with those of the shareholders’ through a variety of plans.

- Ensure, to the extent possible, that compensation has been and will continue to be tax deductible.

BASE SALARY COMPENSATION

The Compensation Committee's approach is to offer competitive salaries in comparison with market practices. The Committee annually examines market compensation levels and trends observed in the labor market. For its purposes, the Compensation Committee has defined the labor market as the pool of executives who are currently employed in similar positions in companies with similar asset size and scope of operation, with special emphasis placed on salaries paid by companies that constitute the banking industry. Market information is used as a frame of reference for annual salary adjustments and starting salaries.

The Compensation Committee makes salary decisions in a structured annual review. The Compensation Committee considers decision-making responsibilities, experience, work performance and achievement of key goals, and team-building skills of each position as the most important measurement factors in its annual reviews. To help quantify these measures, the committee has enlisted the assistance of an independent compensation consultant. Base salaries are determined by considering the experience and responsibilities of the individual executive officer with a target of paying at the median (50%) level of our peer group adjusted for overall performance of the individual executive. Base salaries are adjusted annually and are in effect for the period January 1 through December 31.

During 2014, the Corporation engaged Mosteller & Associates to accumulate comparative data on the Corporation’s peer group which the Compensation Committee utilized in adjusting the base salary of its executive group. The Corporation’s peer group, eighteen (18) institutions of similar asset size and regional location, consists of: Arrow Financial Corp.; Berkshire Hills Bancorp, Inc.; Bryn Mawr Bank Corporation; Camden National Corporation; Chemung Financial Corporation; Financial Institutions, Inc.; First Defiance Financial Corp.; Independent Bank Corp.; Park National Corporation; Peoples Bancorp, Inc.; S&T Bancorp, Inc.; Sandy Spring Bancorp, Inc.; Tompkins Financial Corporation; TowneBank; TrustCo Bank, NY; Union First Market Bankshares Corporation; Washington Trust Bancorp, Inc.; and WSFS Financial Corporation.

In November 2014, the Compensation Committee met and reviewed the performance of the named executive officers with the Chief Executive Officer to determine increases in base salary compensation for 2015. The Committee also met in executive session without the Chief Executive Officer to discuss his base salary for 2015. Increases in base salary compensation for 2015 were based on individual performance and the selected peer group compensation review along with market analysis, which provides a broader view of compensation practices than the more limited peer group represented by the proxy study performed by the Corporation's independent compensation consultants.

Below outlines the increases in base salary compensation for 2015 approved by the Compensation Committee:

Executive	2015	2014	Base Salary Increase
Jeffrey M. Schweitzer	$510,000	$450,000	13.3%
Michael S. Keim	300,000	270,000	11.1%
Duane J. Brobst	220,000	200,000	10.0%
Kevin B. Norris	275,000	250,000	10.0%
Eric W. Conner	215,000	190,000	13.2%

The increase for Mr. Schweitzer was determined based on merit, along with the goal of getting Mr. Schweitzer's base salary to the median (50%) level over the three year period as a result of his promotion to Chief Executive Officer on January 1, 2014. The increase for Mr. Norris was due to his promotion to President of Wealth Management. The increases for the other named executive officers are due to merit, growth and increased complexity of the Corporation and their related responsibilities. In addition, Mr. Brobst and Mr. Keim assumed additional responsibilities as a result of K. Leon Moyer's (former President and CEO of the Bank) retirement on January 1, 2015.

ANNUAL INCENTIVES

The Corporation established a non-equity annual incentive plan to reward executive officers for achieving annual financial objectives. The weighted financial measures and related targets for the plan are set in the preceding fiscal year by the Compensation Committee. The annual incentive program for Messrs. Schweitzer, Keim, Brobst, and Conner consists of cash bonuses based 75% on meeting annual Corporation performance goals (annual net income, efficiency ratio and return on average assets); and 25% on individual performance to reinforce the critical focus of our executive officers on certain annual objectives that have significant impact on our long-term performance strategy. The payout under the Annual Incentive Compensation plan will occur during February of each year for which a payout is made.

The Annual Incentive Compensation plan provides for payouts based on actual results compared to target as detailed in the table below. The payout under the Annual Incentive Compensation plan was interpolated based on actual results compared to threshold, target, and optimum; there is no payout for performance below threshold.

Executive	Threshold 40% of Target (% of salary)	Target 100% of Target (% of salary)	Optimum 150% of Target (% of salary)	Actual Award (% of salary)	Actual Award ($)
Jeffrey M. Schweitzer	20.0%	50.0%	75.0%	45.5%	$232,190
Michael S. Keim	14.0%	35.0%	52.5%	31.9%	95,608
Duane J. Brobst	14.0%	35.0%	52.5%	27.5%	60,487
Eric W. Conner	10.0%	25.0%	37.5%	22.8%	48,942

The Corporation's financial targets set by the Compensation Committee for 2015 along with the actual results for the Annual Incentive Compensation component of executive compensation were as follows:

Performance Metric	Goal Weight	Threshold	Target (Plan)	Optimum	Actual*
Net Income (000's)	34.0%	$23,535	$29,418	$35,302	$27,762
Return on Average Assets	33.0%	0.84%	1.05%	1.26%	1.00%
Efficiency Ratio	33.0%	69.12%	66.62%	64.12%	68.91%

*Adjusted to exclude the impact of after-tax merger-related expenses associated with the Fox Chase Bancorp acquisition.

As a result of actual corporate performance (paid out at 71% of target) and the individual performance component, an aggregate cash bonus was paid to the above named executive officers of the Corporation for 2015 ranging from 79% to 91% of the targeted payout level.

The individual performance component is recommended by the President and CEO of the Corporation and Chairman of the Corporation, as applicable. When considering the recommendations, the Compensation Committee considers the individual's contribution to progress on strategic initiatives critical to the Corporation's performance in 2015 and beyond. In 2015, the Compensation Committee determined that the individual performance component for Messrs. Schweitzer, Keim and Conner should be paid-out at Optimum, largely due to the successful system conversion and integration of Valley Green Bank, while Mr. Brobst's individual performance component should be paid at Target.

Annual Incentive for Mr. Norris

As the President of Univest's Wealth Management business, Mr. Norris does not participate in the same corporate-wide annual incentive plan as the other named executive officers. A separate bonus pool is established within Wealth Management and is funded based on Wealth Management's pre-tax income. The actual incentive award for Mr. Norris is allocated and approved by the President and CEO of the Corporation on a discretionary basis from the pool. For 2015, Mr. Norris' cash incentive target was 25% of salary, and the actual award was $65,750, 95% of his target payout level.

Structured Discretion

Recognizing that unforeseen events in the economy could have an impact on the annual performance of the Corporation, but still result in the Corporation, through focused and disciplined management, exceeding the performance of its Select Peer Group, as determined by the Board of Directors, which consists of all publicly traded Mid-Atlantic (defined as Pennsylvania, New York, New Jersey, Delaware, Maryland and the District of Columbia) banks, thrifts and savings institutions between $1 billion and $5 billion in total assets, the Annual Incentive Compensation Plan also has a Peer Performance Lever. The Compensation Committee has the discretion to pay out at the Threshold level, even if the Corporation's performance does not meet Threshold levels, if the Corporation's performance exceeds 50% of the Select Peer Group performance with respect to Return on Average Assets. Additionally, the Compensation Committee has the discretion to pay out at the Target level, even if the Corporation's performance does not meet Target levels, if the Corporation's performance exceeds 80% of the Select Peer Group performance with respect to Return on Average Assets. Finally, the Compensation Committee has the discretion to not pay out the Annual Incentive Compensation if the Corporation's performance does not exceed 40% of the Select Peer Group performance with respect to Return on Average Assets.

The Compensation Committee made no discretionary adjustments to executive compensation in 2015, and does not intend to utilize this feature going forward.

Annual Incentive Deferral Option

For the 2014 annual incentive plan award paid at the beginning of 2015, executives had the option to receive up to 50% of their annual incentive bonus in shares of the Corporation's stock, which the Corporation matched with a restricted stock grant. The restricted stock grant would vest ratably over a five-year period. The purpose of this deferral option was to further align the executive's interests with those of the shareholders, promote retention and keep the executive focused on the long-term viability, performance and stability of the Corporation. In order to have a larger portion of the executives' pay based on performance, the executives were not given this option for the 2015 annual incentive plan paid at the beginning of 2016, and we do not intend to utilize this feature going forward.

LONG-TERM INCENTIVES

Stock-Based Compensation

The long-term incentive program consists primarily of stock options and restricted stock grants; performance-based restricted stock awards vest based on the Corporation's performance compared to its selected peers with respect to certain financial measures. The purpose of the program is to align management's interests with those of our shareholders, promote employee retention and also to ensure management's focus on the long-term stability and performance of the Corporation. The Corporation's target is to pay out incentive compensation, both short-term and long-term, at the median (50%) level of our peer group when targeted performance is met.

At the Annual Meeting in 2003, the shareholders approved the Univest 2003 Long-Term Incentive Plan; at the Annual Meeting in 2008, the shareholders approved the Amended and Restated Univest 2003 Long-term Incentive Plan. The 2003 Long-Term Incentive Plan expired in April 2013. At the Annual Meeting in 2013, the shareholders approved the Univest 2013 Long-Term Incentive Plan. The purpose of the plan is to enable employees and non-employee directors of the Corporation to: (i) own shares of stock in the Corporation, (ii) participate in the shareholder value which has been created, (iii) have a mutuality of interest with other shareholders and (iv) enable the Corporation to attract, retain and motivate key employees of particular merit. Participation in the 2013 Long-Term Incentive Plan is determined by the Compensation Committee. The plan authorizes the Committee to grant both stock and/or cash-based awards through incentive and non-qualified stock options, stock appreciation rights, restricted stock, and/or long-term performance awards to participants. With respect to these grants, 2,000,000 shares were initially set aside for these long-term incentives. The number of shares of common stock available for issuance under the plan is subject to adjustment, as described in the plan. This includes, in the event of any merger, reorganization, consolidation, recapitalization, stock dividend, or other change in corporate structure affecting the stock, substitution or adjustment in the aggregate number of shares reserved for issuance under the plan, in the number and option price of shares subject to outstanding options granted under the plan and in the number and price of shares subject to other awards, as described in the plan. As a result of the acquisition and merger of Valley Green Bank into Univest Bank and Trust Co., 473,483 additional shares are now available for distribution under the 2013 Long-Term Incentive Plan. At the time of an award grant, the Committee will determine the type of award to be made and the specific conditions upon which an award will be granted (i.e. term, vesting, performance criteria, etc.).

Upon a change in control: any stock appreciation rights outstanding for at least six months and any stock options awarded which have been held for at least six months shall become fully vested and exercisable; restrictions applicable to any restricted stock award shall lapse and such shares shall be deemed fully vested; the value of all outstanding stock options, stock appreciation rights and restricted stock awards shall be cashed out on the basis of their fair market value; and any outstanding long-term performance awards shall be vested and paid out based on the prorated target results for the performance periods in question.

2015 Equity Grants

Long-term incentive compensation consists of a combination of performance-based restricted stock and stock options.

Performance-based restricted stock was granted on January 31 based on the Top Quintile performance as detailed in the chart below. The performance-based restricted stock will vest on February 15^{th} after three years of performance (i.e. restricted stock granted on January 31, 2015 will vest on February 15, 2018) based on the Corporation's performance compared to its Select Peer Group with respect to three-year average Return on Average Assets. On January 31, 2015, the Compensation Committee approved the granting of performance-based restricted stock to the following named executives:

	Number of Shares	Grant Date Fair Value ($)

Executive	3rd Quintile 40%-60%	2nd Quintile 60%-80%	Top Quintile 80%-100%	3rd Quintile 40%-60%	2nd Quintile 60%-80%	Top Quintile 80%-100%
Jeffrey M. Schweitzer	2,500	5,000	7,500	$46,300	$92,600	$138,900
Michael S. Keim	1,250	2,500	3,750	23,150	46,300	69,450
Duane J. Brobst	1,250	2,500	3,750	23,150	46,300	69,450
Kevin B. Norris	750	1,500	2,250	13,890	27,780	41,670
Eric W. Conner	750	1,500	2,250	13,890	27,780	41,670

The granting of options is anticipated to occur annually, at the discretion of the Compensation Committee, on January 31 and is not contingent on the achievement of annual targets described under Annual Incentive Compensation. The number of options to be granted each year will be determined by the Compensation Committee. On January 31, 2015, the Compensation Committee approved the granting of stock options to the following named executives:

Executive	Stock Options Granted		Grant Date Fair Value ($)
Jeffrey M. Schweitzer	9,000	shares	$54,593
Michael S. Keim	4,500	shares	27,297
Duane J. Brobst	4,500	shares	27,297
Kevin B. Norris	2,000	shares	12,132
Eric W. Conner	2,000	shares	12,132

Vesting of 2012 Performance-Based Restricted Stock

During 2012, the Corporation granted its executives performance-based restricted stock similar in nature to the 2015 award described above. The performance period for this award ended in 2015, and our three year ROAA and ROAE relative to peers fell in the 2nd Quintile. The number of shares earned and vested for each named executive are disclosed below.

Executive	Number of Vested Shares	
Jeffrey M. Schweitzer	2,500	shares
Michael S. Keim (1)		N/A
Duane J. Brobst	1,500	shares
Kevin B. Norris (1)		N/A
Eric W. Conner (1)		N/A

(1) Executive was not a participant in 2012 Executive Compensation Plan

Stock Ownership Requirements

To reinforce the importance of aligning the financial interests of the executive officers with those of the shareholders, the Board of Directors approved minimum stock ownership guidelines for the executive officers in 2010. Below are the minimum required holdings for the named executive officers. A majority of the executive officers are in compliance with the ownership requirements while the remaining officers are on pace to be in compliance with the ownership requirements within the allotted timeframe.

Executive	Ownership Requirement (Multiple of Base Salary)
Jeffrey M. Schweitzer	3.0x
Michael S. Keim	2.5x
Duane J. Brobst	2.0x
Kevin Norris	1.5x
Eric W. Conner	1.5x

The ownership requirements vary based upon which category of the executive incentive plan (there are four) the executive is placed in. In 2015, executive officers in each category were as follows: Category 1 is the President and CEO of the Corporation; Category 2 is the President of the Bank; Category 3 included any Senior Executive Vice President of the Corporation and/or the Bank and any President of Commercial Banking; and Category 4 includes Executive Vice Presidents of the Corporation or Bank, along with Presidents of lines of business other than Commercial Banking. These ownership requirements must be met within 7 years of entering the plan. If an individual is promoted to a new category, the individual will have 3 additional years in which to achieve the new ownership requirement. The following shares are considered “owned” in meeting the ownership requirements outlined in the table above:

- All shares held by the employee or their spouse

- All restricted stock (vested or nonvested)
- Unexercised vested in-the-money stock options
- Shares held in the employee’s 401(k) plan

Claw Back Provision on Incentive Compensation

In the case where an accounting restatement occurs due to a material error, whether due to intentional fraud or a "no fault" accounting restatement, incentive-based compensation that is based on financial information required to be reported under the securities laws, including performance based restricted stock, will be recovered from all Section 16 officers who were Section 16 officers during the relevant period. If it is determined by the Compensation Committee that it is impracticable to recover the amounts (i.e. the cost to recover exceeds the amount to be recovered) then the Corporation will disclose the individual's name, the amount foregone, and a brief description of the reason for deciding not to pursue recovery in our next annual proxy statement.

Post-Retirement Plans

Univest provides a qualified pension plan to all employees hired prior to December 8, 2009. The Defined Benefit Pension Plan (DBPP) is a noncontributory defined benefit retirement plan covering substantially all employees of the Corporation who were hired before December 8, 2009, completed one year of service with the Employer and attained age 21. Effective December 31, 2009, the benefits previously accrued under the DBPP were frozen and the DBPP was amended and converted to a cash balance plan, with participants not losing any pension benefits already earned in the DBPP. Additionally, employees hired on or after December 8, 2009 are not eligible to participate in the DBPP. The DBPP is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The DBPP is administered by the Pension Committee appointed by the Board of Directors of the Corporation. The Pension Committee has appointed the Bank as trustee of the DBPP. Employer contributions are based on amounts required to be funded under the provisions of ERISA. No contributions are required or permitted by the participants. The normal retirement date is the first day of the month in which the participant's 65th birthday occurs and he/she has completed five years of credited service. Prior to December 31, 2009, the normal annual retirement benefit amount accrued was 1.5% of average earnings for each year of credited service up to 20 years plus 0.5% of average earnings for each year of credited service in excess of 20 years up to 35 years, plus 0.25% of average earnings in excess of the average Social Security wage base for each year of credited service up to 35 years.

Benefits under the cash balance plan are credited to the employees' account based on the following formula:

Years of Service	Annual Benefit Credited
0 - 10	3% of salary
11- 20	5% of salary
21 +	7% of salary

Additionally, annually the employees' accounts are credited with a guaranteed return of the ten year Treasury note rate plus 1% not to exceed the 30 year Treasury note rate. To not penalize long-term employees of the Corporation, for employees over the age of 55 with over 20 years of service on December 31, 2009, the annual retirement benefit is guaranteed to be the higher of the benefit attributable to the formula under the DBBP or the new cash benefit account. Each participant who has at least ten years of service and who has attained age 55 may elect to retire early within the 10-year period immediately prior to his/her normal retirement age. A participant's early retirement benefit is the greater of 1) the actuarial equivalent of the accrued benefit if the benefit is distributed in a form other than a nondecreasing life annuity payable for a period not less than the life of the participant, or 2) the accrued benefit reduced from the early retirement date by 1/15th per year for the first five years and 1/30th per year for each of the next five years. A participant's early retirement benefit with respect to benefits accrued prior to the cash balance plan conversion effective December 31, 2009 is the participant's accrued benefit payable at the participant's normal retirement date, reduced by 6% per year for the first five years and 4% per year thereafter to age 55; however, if the participant has attained age 62 at the early retirement date and the sum of the participant's age plus years of service equals or exceeds 85, the participant will receive the normal retirement benefit.
Participants were not vested in the benefits accrued up to December 31, 2009 until they completed five years of service, at which time they become fully vested in the benefits accrued up to December 31, 2009 in the DBPP.

Participants were not vested in the benefits accrued after December 31, 2009, under the cash balance portion of the plan, until they completed three years of service, at which time they became fully vested in the benefits accrued under the cash balance portion of the plan.

A vested participant who dies before the annuity starting date and who has a surviving spouse shall have the death benefit paid to the surviving spouse in the form of a preretirement survivor annuity and may have the death benefit distributed to his/her beneficiaries within five years after death.

While the Corporation has not expressed any intent to do so, the DBPP/cash balance plan may be discontinued at any time, subject to the provisions of ERISA. In the event such discontinuance results in termination of the DBPP/cash balance plan, the DBPP/cash balance plan provides that the net assets of the plan shall be allocated among the participants in the order provided for in ERISA. To the extent there are unfunded vested benefits other than benefits becoming vested by virtue of termination of the DBPP/cash balance plan, ERISA provides that such benefits are payable to participants by the Pension Benefit Guaranty Corporation (PBGC) up to specified limitations.
Should the DBPP/cash balance plan terminate at some future time, its assets generally may not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty while other benefits may not be provided for at all.
On an optional basis, all officers and employees who have attained the age of 18 and have completed one month of continuous service may participate in the Deferred Salary Savings Plan (DSSP). In 2015, participants could defer up to a maximum of $18,000 if under age 50 and $24,000 if at least age 50 by December 31. After employees complete 6 months of service, the Corporation or its subsidiaries will make a matching contribution of 50% of the first 6% of the participant's salary. All contributions are invested via a trust. The Corporation's matching contributions for 2015, 2014 and 2013, amounted to $1,017,667, $836,007 and $765,400, respectively. The matching contributions are vested at 50% at the end of two years, 75% at the end of three years, and 100% at the end of four years. Benefit payments normally are made in connection with a participant's retirement. The DSSP permits early withdrawal of the money under certain circumstances. Under current Internal Revenue Service regulations, the amount contributed to the plan and the earnings on those contributions are not subject to Federal income tax until they are withdrawn from the plan.

OTHER PERQUISITES

Compensation for group life insurance premiums, hospitalization and medical plans, and other personal benefits are provided to all full-time employees and part-time employees averaging a certain number of hours and do not discriminate in favor of officers of the Corporation or its subsidiaries.

Certain executive officers, including the named executive officers, receive expense allowances. These perquisites are determined and approved by the Compensation Committee under the same methodologies for and in conjunction with base salary compensation. Univest also provides certain named executive officers with personal tax preparation services; these services are provided by a Certified Public Accounting firm other than Univest's Independent Registered Public Accounting Firm, KPMG LLP.

TAX CONSIDERATIONS

Section 162(m) of the Internal Revenue Code generally provides that no deduction is allowed for compensation in excess of $1 million paid by a public company to its CEO or any of its other three most highly paid executive officers (other than the CFO). However, compensation that qualifies as "performance-based" compensation is not subject to the deductibility limit. The Compensation Committee attempts to maximize the deductibility of compensation under Section 162(m) to the extent doing so is reasonable and consistent with the Corporation's strategies and goals. However, the Compensation Committee recognizes that paying certain compensation that is not tax-deductible may sometimes be in our best interest, and to that end we do not have a policy requiring that all compensation be deductible. Further, even if the Compensation Committee intends or attempts to grant compensation that may qualify as "performance-based" for purposes of Section 162(m), the Corporation cannot guarantee that such compensation ultimately will be deductible by it, including where in the Compensation Committee's judgment payment of non-deductible compensation is needed to achieve the Corporation's overall compensation objectives.

Overview of Compensation Changes for 2016

In 2015, the Compensation Committee engaged McLagan, a part of Aon plc, as its independent compensation consultant. Working with McLagan, the Committee decided to make the following changes which will impact executive compensation in 2016:

- Developed and adopted a new peer group for compensation benchmarking and measuring relative performance to the market. The new peer group is a better representation of the Corporation's business model and includes 22 institutions of similar asset and revenue size and mix of revenue between net interest and fee income. Specifically, the peer group is comprised as follows: 1st Source Corp., Arrow Financial Corp., Bryn Mawr Bank Corp., Camden National Corp., Chemung Financial Corp., City Holding Co., CoBiz Financial Inc., Community Trust Bancorp Inc., First Busey Corp., First Community Bancshares Inc., First Defiance Financial, Lake Sunapee Bank Group, Peapack-Gladstone Financial, Peoples Bancorp Inc., QCR Holdings Inc., S&T Bancorp Inc., Sandy Springs Bancorp Inc., Stock Yards Bancorp Inc., Tompkins Financial Corporation, TowneBank, Washington Trust Bancorp Inc. and WSFS Financial Corp.

- Made adjustments to the annual incentive plan to better align with shareholder interests, including: eliminating the discretionary performance lever; changing corporate metrics to annual EPS, ROE, credit quality, and efficiency ratio; and adjusting weightings of metrics.
- Eliminated the company match in restricted stock on elective deferrals of annual incentive.
- Made adjustments to the long-term incentive plan to reflect market best practices and to better align with our compensation philosophy, including: adding three year EPS as a metric; establishing a minimum performance requirement for vesting; and modifying the methodology for calculating awards to allow for interpolation between performance levels.
- Adopted a claw back provision permitting the Company to recoup over-payments of incentive compensation based upon an accounting restatement due to a material error.
- Adopted change in control agreements for certain executive officers, including the named executive officers.

2016 Base Salaries

In November 2015, the Compensation Committee met and reviewed the performance of the named executive officers with the Chief Executive Officer to determine increases in base salary compensation for 2016. The Committee also met in executive session without the Chief Executive Officer to discuss his base salary for 2016. Increases in base salary compensation for 2016 were based on individual performance and the selected peer group compensation review along with market analysis, which provides a broader view of compensation practices than the more limited peer group represented by the proxy study performed by the Corporation's independent compensation consultants.

Below outlines the increases in base salary compensation for 2016 approved by the Compensation Committee:

Executive	2016	2015	Base Salary Increase
Jeffrey M. Schweitzer	$550,000	$510,000	7.8%
Michael S. Keim	375,000	300,000	25.0%
Duane J. Brobst	240,000	220,000	9.1%
Kevin B. Norris	285,000	275,000	3.6%
Eric W. Conner	235,000	215,000	9.3%

The increase for Mr. Schweitzer was determined based on merit, increase in size and complexity of the Corporation along with the goal of getting Mr. Schweitzer's base salary to the median (50%) level over a three year period as a result of his promotion to Chief Executive Officer on January 1, 2014. The increase for Mr. Keim was determined based on his promotion to President of the Bank. The increases for the other named executives are due to merit, growth and increased size and complexity of the Corporation and their related responsibilities.

Change in Control Agreements

On February 26, 2016, the Corporation entered into change of control agreements (the "Agreement") with certain executive officers, including the named executive officers. For Messrs. Schweitzer, Keim, Brobst and Conner the Agreement has a fixed term commencing on February 26, 2016 and ending on December 31, 2017, with automatic annual one year renewals of the Agreement thereafter, absent notice of non-renewal from either party. For Mr. Norris, the Agreement has a fixed term commencing on February 26, 2016 and ending on December 31, 2016, with automatic annual one-year renewals of the Agreement thereafter, absent notice of renewal from either party.
In the event an executive's employment is terminated subsequent to a "change in control" during the term of the Agreement either by the Corporation for a reason other than "cause" (as defined in the Agreement) or by the executive after the occurrence of certain specified events of "good reason" described below, the Corporation will pay Messrs.

Schweitzer, Keim, Brobst and Conner a lump-sum cash payment equal to the sum of (i) two times their highest annual base salary in effect at the time of termination of employment for the current and two preceding calendar years and (ii) two times their average cash bonus paid within the current and two calendar years preceding termination of employment. In addition, they will each receive continuation of medical insurance benefits for two years, or a cash payment equal to the cost to obtain such benefits. Mr. Norris will receive a lump-sum cash payment equal to the sum of (i) one time his highest annual base salary in effect at the time of termination of employment for the current and two preceding calendar years and (ii) one time his average cash bonus paid within

the current and two calendar years preceding termination of employment. In addition, Mr. Norris will receive continuation of medical insurance benefits for one year, or a cash payment equal to the cost to obtain such benefits.
The specified events of "good reason" permitting an executive to terminate employment following a change in control and receive payments or benefits under the Agreement include: (i) material diminution in executive's authority, duties or other terms and conditions of employment; (ii) reassignment to a location greater than 25 miles from executive's office on the date of the change in control (unless closer to executive's residence); (iii) material diminution in executive's base salary; (iv) failure to provide executive with employee benefits (retirement or pension, life insurance, medical, health and accident insurance, and similar plans) applicable at the time of the change in control; or (v) a material breach of the Agreement.
Payments under the Agreement would be reduced to the extent necessary to avoid an "excess parachute payment" under Section 280G of the Internal Revenue Code. In the event that the executive becomes entitled to and receives benefits under the Agreement after a change in control, he will be subject to one year non-compete and non-solicitation covenants. In the event that the executive voluntarily terminates employment during the term of the Agreement prior to a change in control, he will be subject to similar non-compete and non-solicitation covenants for six months.

CONCLUSION

Through the programs described above, a significant portion of the Corporation's executive compensation is linked directly to individual and corporate performance and growth in shareholder value. The Committee intends to continue the policy of linking executive compensation to individual and corporate performance and growth in shareholder value, recognizing that the business cycle from time to time may result in an imbalance for a particular period.

The following Summary Compensation Table is mandated by SEC rules, contains a mix of earned and target pay, and several items that are driven by accounting and actuarial assumptions. Earned amounts shown under stock and option awards are determined at grant date fair values, which may be worth more, less, or even nothing when vested or paid.

The following table sets forth for the fiscal years ended December 31, 2015, 2014 and 2013, the compensation which the Corporation and its subsidiaries' principal executive officer, principal financial officer and three other named executive officers earned. This table should be read in conjunction with the "Compensation Discussion and Analysis" section of this Proxy Statement.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards (a)	Non-Equity Incentive Plan Compensation	Change in Pension Value (b)	All Other Compensation (c)	Total
Jeffrey M. Schweitzer,	2015	$510,000	$ -0-	$186,950	$54,593	$232,190	$9,180	$46,183	$1,039,096
President and Chief Executive Officer of the	2014	450,000	-0-	206,880	58,795	211,112	14,924	38,111	979,822
Corporation and Chief Executive Officer of the Bank	2013	320,000	-0-	111,940	37,260	132,094	2,302	28,677	632,273
Michael S. Keim,	2015	300,000	-0-	88,670	27,297	95,608	11,927	27,376	550,878
Senior Executive Vice President and Chief Financial Officer of the	2014	270,000	-0-	67,248	13,066	63,334	8,659	20,003	442,310
Corporation and President and Chief Financial Officer of the Bank	2013	240,000	-0-	37,980	10,646	61,919	4,728	15,499	370,772
Duane J. Brobst,	2015	220,000	-0-	69,450	27,297	60,487	28,978	23,591	429,803
Senior	2014	200,000	-0-	47,246	13,066	46,914	65,770	17,335	390,331
Executive Vice President and Chief Risk Officer of the Corporation and	2013	189,000	-0-	37,980	10,646	48,762	(9,089)	17,172	294,471

of the Bank									
Kevin B. Norris, President of Wealth Management of the Bank	2015	275,000	-0-	64,254	12,132	65,750	—	20,267	437,403
	2014	215,513	-0-	42,255	13,066	45,186	—	12,269	328,289
Eric W. Conner, Executive Vice President and Chief Technology Officer of the Corporation and the Bank	2015	215,000	-0-	41,670	12,132	48,942	7,307	20,076	345,127
	2014	190,000	-0-	42,255	13,066	44,568	11,459	13,218	314,566
	2013	150,000	-0-	37,980	10,646	38,699	(542)	11,094	247,877

(a) Represents the fair value for all stock options granted during 2015, 2014 and 2013, respectively. Assumptions used in calculating the fair value on these stock options are set forth in Note 11 to the Financial Statements included in Univest's Form 10-K for the year ended December 31, 2015.

(b) 2013 Changes in Pension Value were primarily due to an average increase in the Citicorp Pension Liability yields used of approximately 89 basis points.

(c) Includes Deferred Salary Savings Plan (401(k)) company matching contributions, dividends on unvested restricted stock awards, life insurance premiums, expense allowance, and personal tax preparation services. No individual item in 2015, 2014 or 2013 exceeded $25,000.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Possible Future Payouts Under Non-equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
		$110,000	$275,000	$412,500	N/A	N/A	N/A				
Jeffrey M. Schweitzer	1/31/2015							7,500(a)	9,000	$18.52	$193,493
	2/19/2015							2,500(b)	-0-	N/A	48,050
	1/31/2016							10,016(a)	13,622	19.96	282,466
		60,000	150,000	225,000	N/A	N/A	N/A				
Michael S. Keim	1/31/2015							3,750(a)	4,500	18.52	96,747
	2/19/2015							1,000(b)	-0-	N/A	19,220
								5,463(a)	7,430	19.68	154,066
		33,600	84,000	126,000	N/A	N/A	N/A				
Duane J. Brobst	1/31/2015							3,750(a)	4,500	18.52	96,747
	1/31/2016							3,059(a)	4,161	19.68	86,273
		28,500	71,250	106,875	N/A	N/A	N/A				
Kevin B. Norris	1/31/2015							2,250(a)	2,000	18.52	53,802
	2/19/2015							1,175(b)	-0-	N/A	22,584
	1/31/2016							2,595(a)	3,529	19.68	73,181
		23,500	58,750	88,125	N/A	N/A	N/A				
Eric W. Conner	1/31/2015							2,250(a)	2,000	18.52	53,802
	1/31/2016							2,140(a)	2,910	19.68	60,348

(a) These are performance-based awards which will vest based upon the Corporation's performance against its peers over the next three years and achievement of an EPS target. Actual shares that vest may change from the above table based on performance. Dividends are paid on the shares but must be invested in the dividend reinvestment plan and are not eligible for cash payout. The shares granted are eligible for voting.

(b) The named executive officers elected to receive up to 50% of their 2014 annual incentive compensation (paid in February 2015) in the form of the Corporation's stock which was matched by the Corporation in the form of a restricted stock grant which will vest ratably over a five-year period.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards (a)						Stock Awards				
Name	Option Award Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#)	Equ Ince Plan Aw Mar Pay Val Une Sha Uni Oth Rig that not Ves
Jeffrey M. Schweitzer (a)	12/31/2007	6,000	-0-	-0-	$21.11	12/31/2017	2/10/2011	34	$709	-0-	$-0-
	1/31/2011	4,500	-0-	-0-	17.24	1/31/2021	2/9/2012	421	8,782	-0-	-0-
	1/31/2012	3,000	-0-	1,500	14.80	1/31/2022	1/31/2013	-0-	-0-	5,625	117
	1/31/2013	2,334	-0-	4,666	16.88	1/31/2023	2/7/2013	622	12,975	-0-	-0-
	1/31/2014	-0-	-0-	9,000	18.78	1/31/2024	1/31/2014	-0-	-0-	7,500	156
	1/31/2015	-0-	-0-	9,000	18.52	1/31/2025	2/6/2014	2,911	60,723	-0-	-0-
							1/31/2015	-0-	-0-	7,500	156
							2/19/2015	2,500	52,150	-0-	-0-
Michael S. Keim	1/31/2010	1,500	-0-	-0-	17.58	1/31/2020	1/31/2013	-0-	-0-	2,250	46,9
	1/31/2011	1,500	-0-	-0-	17.24	1/31/2021	1/31/2014	-0-	-0-	2,250	46,9
	1/31/2012	1,000	-0-	500	14.80	1/31/2022	2/6/2014	1,102	22,988	-0-	-0-
	1/31/2013	667	-0-	1,333	16.88	1/31/2023	1/31/2015	-0-	-0-	3,750	78,2
	1/31/2014	-0-	-0-	2,000	18.78	1/31/2024	2/19/2015	1,000	20,860	-0-	-0-
	1/31/2015	-0-	-0-	4,500	18.52	1/31/2025					
Duane J. Brobst	12/31/2007	6,000	-0-	-0-	21.11	12/31/2017	1/31/2013	-0-	-0-	2,250	46,9
	1/31/2011	2,000	-0-	-0-	17.24	1/31/2021	1/31/2014	-0-	-0-	2,250	46,9
	1/31/2012	1,333	-0-	667	14.80	1/31/2022	2/6/2014	220	4,589	-0-	-0-
	1/31/2013	667	-0-	1,333	16.88	1/31/2023	1/31/2015	-0-	-0-	3,750	78,2
	1/31/2014	-0-	-0-	2,000	18.78						