

EVANS BANCORP INC
Form DEF 14A
March 22, 2018
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 Filed by a Party other than 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

EVANS BANCORP, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3)Filing Party:

(4)Date Filed:

March 22, 2018

To Our Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the 2018 Annual Meeting of Shareholders of Evans Bancorp, Inc. The Annual Meeting this year will be held at Evans Bancorp, Inc., One Grimsby Drive, Hamburg, NY 14075, on Thursday, April 26, 2018 at 9:00 a.m. The formal Notice of the Annual Meeting is set forth on the following page.

The enclosed Notice and Proxy Statement contain details concerning the business to come before the 2018 Annual Meeting. The Board of Directors of Evans Bancorp recommends a vote "FOR" the election of Robert G. Miller, Jr., Kimberley A. Minkel, Christina P. Orsi, Michael J. Rogers, and Oliver H. Sommer for a three year term. The Board of Directors of Evans Bancorp also recommends a vote "FOR" the approval, on an advisory basis, of the compensation paid to the Company's named executive officers, and "FOR" ratification of the appointment of KPMG LLP as Evans Bancorp's independent registered public accounting firm for fiscal year 2018.

To Vote:

Your vote is important, regardless of whether or not you attend the Annual Meeting in person. I urge you to sign, date, and return the enclosed proxy card in the postage-paid envelope provided as promptly as possible. In this way, you can be sure that your shares will be voted at the meeting. If you are voting "FOR" the election of the nominated directors, "FOR" the approval, on an advisory basis, of the compensation paid to the Company's named executive officers, and "FOR" ratification of the appointment of KPMG LLP as Evans Bancorp, Inc.'s independent registered public accounting firm for fiscal year 2018, you need only date, sign and return the proxy card.

Voting is tabulated by an independent firm; therefore, to ensure that your vote is received in a timely manner, please mail the white proxy card in the envelope provided - do not return the proxy card to Evans Bancorp, Inc.

To Attend the Annual Meeting:

To ensure that our reservation count will be accurate, if you plan to attend the meeting, please complete the appropriate section on the white proxy card and return it in the postage-paid envelope provided - do not return the proxy card to Evans Bancorp, Inc.

PLEASE NOTE THAT, DUE TO LIMITED SEATING, WE WILL NOT BE ABLE TO ACCOMMODATE GUESTS OF OUR SHAREHOLDERS AT THE ANNUAL MEETING, AND MUST LIMIT ATTENDANCE TO SHAREHOLDERS ONLY.

Thank you for your confidence and support.

Sincerely,

David J. Nasca

President and Chief Executive Officer

This page intentionally left blank



EVANS BANCORP, INC.

One Grimsby Drive

Hamburg, NY 14075

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 26, 2018

The Thirtieth Annual Meeting of Shareholders of Evans Bancorp, Inc., a New York corporation (the "Company"), will be held on Thursday, April 26, 2018 at 9:00 a.m. at Evans Bancorp, Inc., One Grimsby Drive, Hamburg, NY, for the following purposes:

- (1) To elect the five nominees named in the Proxy Statement as directors of the Company for a three-year term, each until the election and qualification of his or her successor.
- (2) To approve, on an advisory basis, the compensation paid to the Company's named executive officers.
- (3) To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2018.
- (4) To act upon such other business as may properly come before the meeting or any adjournment thereof.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 26, 2018

The Company's Proxy Statement and 2017 Annual Report, which includes the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, are available on the Company's website at www.evansbancorp.com.

The Board of Directors has fixed the close of business on March 5, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

Edgar Filing: EVANS BANCORP INC - Form DEF 14A

A copy of the Company's Annual Report to Shareholders and Annual Report on Form 10-K for the Company's 2017 fiscal year are enclosed for your reference.

Please complete and return the enclosed proxy card in the accompanying postage-paid, addressed envelope as soon as you have had an opportunity to review the attached Proxy Statement.

By Order of the Board of Directors

Robert G. Miller, Jr.
Secretary

Hamburg, New York

March 22, 2018

EVANS BANCORP, INC.

One Grimsby Drive

Hamburg, NY 14075

PROXY STATEMENT

Dated March 22, 2018

For the Annual Meeting of Shareholders to be held April 26, 2018

GENERAL INFORMATION

This Proxy Statement is furnished to the shareholders of Evans Bancorp, Inc., a New York corporation (the "Company"), in connection with the solicitation of proxies for use at the Thirtieth Annual Meeting of Shareholders (the "Annual Meeting") to be held at Evans Bancorp, Inc., One Grimsby Drive, Hamburg, NY, on Thursday, April 26, 2018 at 9:00 a.m. and at any adjournments thereof. To obtain directions to be able to attend our Annual Meeting and vote in person, please contact Michelle Baumgarden at (716) 926-2000.

Shares of common stock represented by a proxy in the form enclosed, properly executed, will be voted in the manner instructed, or if no instructions are indicated, "FOR" the election of director nominees named therein, "FOR" the approval, on an advisory basis, of the compensation paid to the Company's named executive officers, and "FOR" ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2018. The proxy given by the enclosed proxy card may be revoked at any time before it is voted by delivering to the Secretary of the Company a written revocation or a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. Any shareholder of record may vote in person at the Annual Meeting, whether or not he or she has previously given a proxy. Attendance at the Annual Meeting will not have the effect of revoking a proxy unless you give proper written notice of revocation to the Secretary before the proxy is exercised or you vote by written ballot at the meeting. If you are a beneficial owner of shares held in street name and you wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the organization that holds your shares.

The enclosed proxy is being solicited by the Board of Directors of the Company. The total cost of solicitation of proxies in connection with the Annual Meeting will be borne by the Company.

This Proxy Statement and the enclosed proxy are first being mailed to shareholders on or about March 22, 2018.

The following proposals will be considered at the meeting:

Proposal I – To elect the five nominees named herein as directors of the Company to hold office for the term of three years.

Proposal II – To approve, on an advisory basis, the compensation paid to the Company’s named executive officers (“Say on Pay”).

Proposal III – To ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for fiscal year 2018.

The Board of Directors of the Company unanimously recommends that you vote “FOR” election of the directors identified as nominees under Proposal I and “FOR” Proposals II and III.

1

Voting Securities

Only holders of shares of common stock of record at the close of business on March 5, 2018 are entitled to notice of and to vote at the Annual Meeting and at all adjournments thereof. At the close of business on March 5, 2018, the Company had 4,787,550 shares of common stock outstanding. For all matters to be voted on at the Annual Meeting, holders of common stock are entitled to one vote per share.

A quorum of shareholders is necessary to hold a valid Annual Meeting. A majority of shares entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at the Annual Meeting. Broker non-votes and abstentions will be counted as being present or represented at the Annual Meeting for purposes of establishing a quorum. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without timely instruction from the beneficial owner of the shares and no instruction is given.

Vote Required and Board Recommendations

Proposal	Vote Required	Board Recommendation
I. Election of Directors	Plurality of the votes cast	“FOR” election of the nominated directors
II. Advisory “Say-on-Pay” Vote	Majority of the votes cast	“FOR” the approval, on an advisory basis, of the compensation paid to our named executive officers
III. Ratification of Appointment of Independent Public Accounting Firm for 2018	Majority of the votes cast	“FOR” ratification of the appointment of KMPG LLP

Plurality Vote – Proposal I

Under New York law and the Company's bylaws, directors are elected by the affirmative vote, in person or by proxy, of a plurality of the votes cast at a meeting at which a quorum is present. Only votes actually cast will be counted for the purpose of determining whether a particular nominee received more votes than the persons, if any, nominated for the same seat on the Board of Directors. This means that, for Proposal I, the five director nominees identified in this Proxy Statement will be elected if they receive more affirmative votes than any other nominees. If, as the Company anticipates, the five director nominees identified in this Proxy Statement are unopposed, they each only need to receive a single vote to be elected. In this instance, withholding authority to vote for a particular candidate will have

no effect on the results of Proposal I.

Majority Vote – Proposals II and III

The approval of the Say on Pay advisory vote (Proposal II) and the ratification of the appointment of the Company's independent registered public accounting firm (Proposal III) require for adoption the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote on the proposal at the Annual Meeting.

2

Abstentions and Broker Non-Votes

Abstentions and broker non-votes will be counted as present for purposes of determining the existence of a quorum at the Annual Meeting. However, abstentions and broker non-votes will not be treated as votes “cast” at the Annual Meeting, and will have no effect on the outcome of any of the proposals to be considered at the Annual Meeting.

If you hold your shares (i.e., they are registered) through a bank, broker or other nominee in “street name” but you do not provide the firm that holds your shares with your specific voting instructions, it will only be allowed to vote your shares on your behalf in its discretion on “routine” matters, but it cannot vote your shares in its discretion on your behalf on any “non-routine” matters. This result is known as a “broker non-vote”. Proposal I relating to the election of your Board’s nominees for Directors and Proposal II relating to Say on Pay are considered “non-routine” matters. Proposal III relating to the appointment of the Company’s independent auditors for fiscal year 2018 is considered a “routine” matter. While your broker will have discretionary authority to vote your uninstructed shares “for” or “against” or “abstaining” from voting on Proposal III, your broker will have no discretionary authority to vote your shares on Proposals I and II at the Annual Meeting. If you hold your shares in street name, please follow the voting instructions sent to you by your bank, broker or other nominee.

Security Ownership of Management and Certain Beneficial Owners

The following table sets forth information, as of March 5, 2018, concerning:

Each person whom we know beneficially owns more than 5% of our common stock.

Each of our directors and nominees for the Board of Directors.

Each of our Named Executive Officers, as defined below under “Executive Compensation”.

All of our directors and executive officers as a group.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission (the “SEC”) and generally includes voting or investment power with respect to our securities. Except as indicated in the footnotes to this table, the persons named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned. The number of shares beneficially owned by each person as of March 5, 2018 includes shares of common stock that such person has the right to acquire on or within 60 days after March 5, 2018 upon the exercise of vested stock options and also includes shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof. For each person or group included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person, calculated as described

in the previous sentence, by the sum of the 4,787,550 shares of common stock outstanding on March 5, 2018 plus the number of shares of common stock that such person or group has the right to acquire on or within 60 days after March 5, 2018. Beneficial ownership representing less than one percent is denoted with an "*".

3

Edgar Filing: EVANS BANCORP INC - Form DEF 14A

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Directors, Director Nominees and Officers		
Michael A. Battle	1,048	*
James E. Biddle, Jr.	20,979	*
John B. Connerton (1)	24,055	0.50%
Jody L. Lomeo	1,074	*
Robert G. Miller, Jr. (2)	104,602	2.17%
Kimberley A. Minkel	-	*
David J. Nasca (3)	119,399	2.46%
John R. O'Brien†	11,630	*
Christina P. Orsi	-	*
David R. Pfalzgraf, Jr.	2,136	*
Michael J. Rogers	4,591	*
Oliver Sommer	924	*
Nora B. Sullivan	2,603	*
Thomas H. Waring, Jr. (4)	12,505	*
Lee C. Wortham	10,334	*
Directors, director nominees and executive officers as a group; 15 persons (5)	315,880	6.43%

† Mr. O'Brien announced his resignation as a director effective March 31, 2018.

5% Security Holders

RMB Capital Management, LLC (6) 115 S. LaSalle Street, 34th Floor Chicago, IL 60603	441,862	9.23%
Manulife Financial Corporation (7) 200 Bloor Street East	333,519	6.97%
Toronto, Ontario, Canada M4W 1E5 FJ Capital Management LLC (8) 1313 Dolley Madison Blvd., Suite 306	254,208	5.31%
McLean, VA 22101 Maltese Capital Management LLC (9) 150 East 52nd Street, 30th Floor	240,000	5.01%
New York, NY 10022		

- (1) Includes 18,578 shares that Mr. Connerton may acquire by exercise of options exercisable on March 5, 2018 or within 60 days thereafter and 2,111 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.

4

- (2) Includes 37,008 shares that Mr. Miller may acquire by exercise of options exercisable on March 5, 2018 or within 60 days thereafter and 3,466 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (3) Includes 2,149 shares owned jointly by Mr. Nasca and his wife, 552 shares owned by Mr. Nasca's children, 69,528 shares that Mr. Nasca may acquire by exercise of options exercisable on March 5, 2018 or within 60 days thereafter and 6,293 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (4) Includes 1,076 shares held by Mr. Waring's wife.
- (5) Includes 125,114 shares that such persons may acquire by exercise of options exercisable on March 5, 2018 or within 60 days thereafter.
- (6) Based on the most recently available Schedule 13G/A filed with the SEC on February 13, 2018 by RMB Capital Holdings, LLC (reporting shared voting and dispositive power with respect to 441,862 shares), RMB Capital Management, LLC (reporting shared voting and dispositive power with respect to 441,862 shares), Iron Road Capital Partners LLC. (reporting shared voting and dispositive power with respect to 12,821 shares), RMB Mendon Managers, LLC (reporting shared voting and dispositive power with respect to 338,397 shares) and Mendon Capital Advisors Corp. (reporting shared voting and shared dispositive power with respect to 90,644 shares).
- (7) Based on the most recently available Schedule 13G/A filed with the SEC on February 13, 2018 on behalf of Manulife Financial Corporation ("MFC") and MFC's indirect, wholly-owned subsidiaries, Manulife Asset Management (US) LLC ("MAM (US)"), Manulife Asset Management (North America) Limited ("MAM (NA)"), and Manulife Asset Management Limited ("MAML"). MAM (US) reported sole voting and dispositive power with respect to 332,511 shares. MAM (NA) reported sole voting and dispositive power with respect to 28 shares. MAML reported sole voting and dispositive power with respect to 980 shares.
- (8) Based on the most recently available Form 13G filed with the SEC on February 23, 2018 by Financial Opportunity Fund LLC of which FJ Capital Management LLC is the managing member (reported shared voting and dispositive power with respect to 254,208 shares) and Martin S. Friedman, the managing member of FJ Capital Management LLC (reported shared voting and dispositive power with respect to 254,208 shares).
- (9) Based on the most recently available Form 13D/A filed with the SEC on March 8, 2017 by Maltese Capital Management LLC ("Maltese") (reporting shared voting and dispositive power with respect to 240,000 shares) and Terry Maltese (managing member of Maltese) (reporting shared voting and dispositive power with respect to 240,000 shares).

Equity Compensation Plans. All equity compensation plans maintained by the company were approved by the Company's shareholders. Shown below is certain information as of December 31, 2017 concerning the shares of the Company's common stock that may be issued under existing equity compensation plans.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (1)
Equity Compensation Plans Approved by Security Holders			
Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan	228,320	\$ 20.81	107,824
Evans Bancorp, Inc. 1999 Employee Stock Option and Long-Term Incentive Plan	12,900	15.52	-
Evans Bancorp, Inc 2013 Employee Stock Purchase Plan	-	-	114,944
Total	241,220	\$ 20.53	222,768

(1) This column excludes shares reflected under the column "Number of Securities to be issued upon exercise of outstanding options."

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires the Company's officers and directors, and persons who beneficially own more than 10% of the Company's common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Officers, directors and greater than 10% beneficial owners are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms furnished to the Company and written representations from the Company's officers and directors, the Company believes that during or with respect to fiscal year 2017, all reports required by Section 16(a) of the Exchange Act were timely filed.

The Company's bylaws provide for a classified board of directors, with three classes of directors, each nearly as equal in number as possible. Each class serves for a three-year term, and one class is elected each year. The Board of Directors is authorized by the Company's bylaws to fix from time to time, the number of directors that constitute the whole Board of Directors. The Board size has been set at thirteen members. The nominees for director at the 2018 Annual Meeting are: Robert G. Miller, Jr. Kimberley A. Minkel, Christina P. Orsi, Michael J. Rogers, and Oliver H. Sommer, for terms to expire at the 2021 Annual Meeting and until their successors are duly elected and qualified.

The Board of Directors has no reason to believe that any nominee would be unable or unwilling to serve, if elected. In the event that any nominee for director becomes unavailable and a vacancy exists, it is intended that the Nominating Committee of the Board of Directors will recommend a substitute nominee for approval by the Board of Directors.

Required Vote

Under New York law and the Company's bylaws, directors are elected by the affirmative vote, in person or by proxy, of a plurality of the votes cast at a meeting at which a quorum is present. Only votes actually

cast will be counted for the purpose of determining whether a particular nominee received more votes than the persons, if any, nominated for the same seat on the Board of Directors. This means that, for Proposal I, the five director nominees identified in this Proxy Statement will be elected if they receive more affirmative votes than any other nominees. Votes to withhold in an uncontested election and broker non-votes will have no effect on the outcome of this vote.

Unless otherwise directed, the persons named in the proxy card intend to vote shares as to which proxies are received “FOR” the director nominees: Robert G. Miller, Jr. Kimberley A. Minkel, Christina P. Orsi, Michael J. Rogers, and Oliver H. Sommer .

THE COMPANY’S BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” EACH OF THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS.

INFORMATION REGARDING DIRECTORS, DIRECTOR NOMINEES

AND EXECUTIVE OFFICERS

The following tables set forth the names, ages, and positions of the director nominees, the directors continuing in office, and the executive officers of the Company:

Nominees for Director:

Name	Age	Position	Term to Expire	Independent*
Robert G. Miller, Jr. †	61	Director Secretary of the Company President of The Evans Agency, LLC Executive Vice President of Evans Bank, N.A.	2021	No
Kimberley Minkel	52	Director	2021	Yes
Christina Orsi	46	Director	2021	Yes
Michael J. Rogers	60	Director	2021	Yes
Oliver H. Sommer	50	Director	2021	Yes

† Executive Officer

* Independence has been determined by the Company’s Board of Directors as defined in the listing rules of NYSE American.

Directors Continuing in Office and Executive Officers:

Name	Age	Position	Term Expires	Independent*
Michael A. Battle	62	Director	2020	Yes
James E. Biddle, Jr.	56	Director	2020	Yes
Jody L. Lomeo	49	Director	2020	Yes
David J. Nasca †	60	Director	2019	No
		President and Chief Executive Officer of the Company		
		President and Chief Executive Officer of		