

OHIO VALLEY BANC CORP
Form DEF 14A
March 29, 2013

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

OHIO VALLEY BANC CORP.
(Exact Name of Small Business Issuer as Specified in its Charter)

(Name of person(s) filing proxy statement, if other than registrant)

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[OVBC LOGO]

ANNUAL MEETING OF SHAREHOLDERS

Wednesday, May 8, 2013

Dear Shareholder:

We take pleasure in inviting you to our Annual Meeting of Shareholders, which will be held on Wednesday, May 8, 2013, at 5:00 p.m., Eastern Daylight Saving Time, at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio.

The Annual Meeting will be held for several purposes:

- election of directors;
- approval, in a non-binding vote, of the compensation of the Company's named executive officers;
- ratification of the selection of the Company's independent registered public accounting firm; and
 - transaction of such other business as may properly come before the meeting.

At the meeting, we will also report to you on our operations during the past year and plans for the future.

The close of business on March 15, 2013 has been fixed as the record date for determination of shareholders entitled to notice of the Annual Meeting and to vote at the Annual Meeting or any adjournment thereof.

The formal Notice of Annual Meeting, the Proxy Statement and a proxy are enclosed or available at <http://www.ovbc.com/go/proxyinfo>, depending on your preference. After reading the Proxy Statement, please promptly fill in, sign and return to us the enclosed proxy in the envelope provided. You may also submit your proxy electronically by going to the Company's website at <http://www.ovbc.com> and following the instructions on that website, or by calling toll free 1-800-555-8140 and following the instructions provided by the recorded message. We urge you to submit your proxy to ensure that your shares are represented.

Last year, 83% of the Company's shares were represented in person or by proxy at the Annual Meeting. Please help us exceed last year's participation by signing and returning your proxy or submitting your proxy electronically or by telephone today.

We hope to see many of you in person at the Annual Meeting. There will be a social hour beginning at 4:00 p.m. Hors d'oeuvres and beverages will be served, and we hope you will take this opportunity to become acquainted with the officers and directors of your Company.

Sincerely,

/s/Jeffrey E. Smith
Jeffrey E. Smith
Chairman of the Board
Officer

/s/Thomas E. Wiseman
Thomas E. Wiseman
President and Chief Executive

Dated: March 29, 2013

OHIO VALLEY BANC CORP.

P.O. Box 240
Gallipolis, Ohio 45631
1-800-468-6682

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Wednesday, May 8, 2013
5:00 p.m.

Gallipolis, Ohio
March 29, 2013

To the Shareholders of
Ohio Valley Banc Corp.

Notice is hereby given that the Annual Meeting of Shareholders (the "Annual Meeting") of Ohio Valley Banc Corp. (the "Company") will be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, the 8th day of May, 2013, at 5:00 p.m., Eastern Daylight Saving Time, for the following purposes:

1. To elect three directors of the Company, each to serve for a three-year term;
2. To approve, in a non-binding vote, the compensation of the Company's named executive officers;
3. To consider and vote upon ratification of the selection of Crowe Horwath LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2013; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment(s) thereof.

Only holders of common shares of the Company of record at the close of business on March 15, 2013 will be entitled to vote at the Annual Meeting and any adjournment.

You are cordially invited to attend the Annual Meeting. The vote of each shareholder is important, whatever the number of common shares held. Whether or not you plan to attend the Annual Meeting, please submit a proxy promptly. You may submit a proxy to vote your shares electronically by going to the Company's website at <http://www.ovbc.com> and following the instructions on that website, or by calling toll free 1-800-555-8140 and following the instructions provided by the recorded message. Alternatively, you can request a printed copy of the proxy materials and use the enclosed proxy. If you attend the Annual Meeting, you may revoke your proxy and vote in person if you are a registered shareholder. Attendance at the Annual Meeting will not, by itself, constitute revocation of your proxy.

BY ORDER
OF THE
BOARD OF
DIRECTORS

/s/Jeffrey E.
Smith
Jeffrey E.
Smith
Chairman of
the Board

/s/Thomas E.
Wiseman
Thomas E.
Wiseman
President and
C h i e f
E x e c u t i v e
Officer

OHIO VALLEY BANC CORP.
P.O. Box 240
Gallipolis, Ohio 45631
1-800-468-6682

March 29, 2013

PROXY STATEMENT

This proxy statement and the accompanying proxy are first being provided to shareholders on or about March 29, 2013 to shareholders of Ohio Valley Banc Corp. (the “Company”) regarding the Annual Meeting of Shareholders to be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, May 8, 2013, at 5:00 p.m., Eastern Daylight Saving Time (the “Annual Meeting”).

Voting by Proxy

A proxy for use at the Annual Meeting is solicited by the Board of Directors of the Company. You may ensure your representation by completing, signing, dating and promptly submitting a proxy which will be mailed to you on or about April 10, 2013. You may also submit your proxy electronically by going to the Company’s website at <http://www.ovbc.com> and following the instructions on that website, or by calling toll free 1-800-555-8140 and following the instructions provided by the recorded message. The deadline for transmitting voting instructions electronically via the Internet or by telephone is 11:59 p.m. Eastern Daylight Saving Time, on May 7, 2013. Shareholders who submit a proxy via the Internet will incur only their usual Internet access charges, if any. Without affecting any vote previously taken, you may revoke your proxy at any time before it is voted at the Annual Meeting (1) by giving written notice of revocation to the Secretary of the Company, at the address of the Company set forth on the cover page of this proxy statement; (2) by executing a later-dated proxy that is received by the Company prior to the Annual Meeting or submitting a later-dated proxy via the Internet prior to the deadline for doing so; or (3) if you are the registered owner of your common shares, by attending the Annual Meeting and giving notice of revocation in person. If your common shares are held in the name of your broker/dealer, financial institution or other holder of record and you wish to revoke your proxy in person, you must bring an account statement or letter from the broker/dealer, financial institution or other holder of record indicating how many common shares you held beneficially on March 15, 2013, the record date for voting. Attendance at the Annual Meeting will not, by itself, constitute revocation of a proxy.

Shares Held in “Street Name”

If you hold your common shares in “street name” with a broker, financial institution or other holder of record, you may be eligible to appoint your proxy electronically via the Internet or by telephone and you may incur costs associated with the electronic access. If you hold your common shares in “street name,” you should review the information provided to you by the holder of record. This information will describe the procedures to be followed in instructing the holder of record how to vote the street name common shares and how to revoke previously given instructions.

If you hold your common shares in “street name” and wish to vote your shares in person at the Annual Meeting, you must bring a letter or proxy from your broker/dealer, financial institution or other nominee authorizing you to vote your shares on behalf of such record holder.

Who is Entitled to Vote

Only shareholders of record at the close of business on March 15, 2013, are entitled to receive notice of and to vote at the Annual Meeting and any adjournment. As of March 15, 2013 4,062,204 common shares were outstanding and

entitled to be voted at the Annual Meeting. Each common share entitles the holder thereof to one vote on each matter submitted to the shareholders at the Annual Meeting. A quorum for the Annual Meeting is a majority of the outstanding common shares.

Costs of Proxy Solicitation

The Company will bear the costs of preparing, printing and mailing this proxy statement, the proxy and any other related materials, as well as all other costs incurred in connection with the solicitation of proxies on behalf of the Company's Board of Directors, other than the Internet access and telephone usage charges a shareholder may incur if proxy materials are accessed on the internet or if a proxy is appointed electronically. Proxies will be solicited by mail and may be further solicited, for no additional compensation, by officers, directors or employees of the Company and its subsidiaries by further mailing, telephone, facsimile, electronic mail

or personal contact. The Company will also pay the standard charges and expenses of brokers, voting trustees, financial institutions and other custodians, nominees and fiduciaries, who are record holders of common shares not beneficially owned by them, for forwarding materials to the beneficial owners of common shares entitled to vote at the Annual Meeting.

Employee Stock Ownership Plan Participants

If you are a participant in the Ohio Valley Banc Corp. Employees' Stock Ownership Plan (the "ESOP") and common shares have been allocated to your account in the ESOP, you will be entitled to instruct the trustee of the ESOP how to vote those common shares and you will receive your voting instructions separately. If you give no instructions to the trustee of the ESOP, the trustee will vote the common shares allocated to your ESOP account in its sole discretion.

Vote Required

Quorum. Common shares represented by properly executed proxies returned to the Company prior to the Annual Meeting will be counted toward the establishment of a quorum for the Annual Meeting. A majority of the outstanding common shares of the Company must be represented in person or by proxy at the Annual Meeting to establish a quorum.

Director elections. The three nominees receiving the greatest number of votes for the class of directors whose terms expire in 2016 will be elected as directors for that term.

Advisory approval of named executive officer compensation. The affirmative vote of a majority of the shares participating in the voting is required for shareholder advisory approval of the compensation of the Company's named executive officers.

Ratification of selection of independent registered public accounting firm. The affirmative vote of a majority of the shares participating in the voting is required to ratify the selection of Crowe Horwath LLP as the independent registered public accounting firm.

Effect of broker non-votes and abstentions. Brokers who hold common shares in street name may, under the applicable regulations of the Securities and Exchange Commission (the "SEC") and the rules of exchanges and other self-regulatory organizations of which the brokers are members, sign and submit proxies for common shares of the Company and may vote such common shares on certain matters. However, brokers who hold common shares in street name may not vote common shares on other matters without specific instruction from the customer who owns the common shares. Proxies that are signed and submitted by brokers that have not been voted on certain matters are referred to as representing "broker non-votes."

Broker non-votes and abstentions count toward the establishment of a quorum for the Annual Meeting. Pursuant to rules of the New York Stock Exchange, member brokers are not permitted to vote without customer instruction with respect to the election of directors. In addition, SEC regulations prohibit brokers from voting without customer instruction on the approval of named executive officer compensation. Neither broker non-votes nor abstentions will be considered to be participating in the voting and therefore will have no effect on the election of directors or the approval of named executive officer compensation, or ratification of the selection of independent registered public accounting firm.

Directions to Annual Meeting Location

To obtain directions to attend the Annual Meeting and vote in person, please call Deborah A. Carhart, Assistant Vice President, Shareholder Relations, at 1-800-468-6682 or 1-740-446-2631, extension 365.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder
Meeting to Be Held on May 8, 2013

This proxy statement, a sample of the form of proxy provided to shareholders by the Company, and the Company's 2012 Annual Report to Shareholders are available on the Company's website at <http://www.ovbc.com/go/proxyinfo>.

The Annual Report of the Company for the fiscal year ended December 31, 2012, including financial statements, is being made available with this proxy statement.

OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table indicates, as of March 15, 2013, certain information concerning the only shareholders known by the Company to be the beneficial owners of more than five percent (5%) of the outstanding common shares of the Company.

| Name and Address | No. of Common Shares and Nature of Beneficial Ownership | Percent of Class (1) |
|---|---|-------------------------|
| Morris and Dorothy Haskins Foundation, Inc. 1767 Chestnut Street Bowling Green, KY 42101 | 265,972 (2) | 6.55% |
| David W. Thomas, Individually and as Trustee of Ohio Valley Banc Corp. Employees' Stock Ownership Plan ("ESOP") 420 Third Avenue P.O. Box 240 Gallipolis, OH 45631 | 289,623 (3) | 7.13% |

(1) The percent of class is based upon 4,062,204 common shares outstanding as of March 15, 2013.

(2) Based on information contained in a Schedule 13G filed with the SEC on February 16, 2010, Carol H. Wedge and Paul D. Wedge, Jr. share voting and dispositive power with respect to the 265,972 common shares as the trustees of the Foundation.

(3) Includes 1,399 shares held solely by Mr. Thomas, 3,164 shares held jointly with his spouse, and 285,060 shares held by the ESOP. As of March 15, 2013, all 289,623 shares in the ESOP were allocated to the accounts of ESOP participants. David W. Thomas is the trustee of the ESOP and votes all shares allocated to the accounts of participants as directed by the participants to whose accounts such shares have been allocated. With respect to unallocated shares and allocated shares with respect to which no instructions have been received, the trustee votes such shares in the trustee's discretion. The trustee has limited power to dispose of ESOP shares.

The following table furnishes information regarding the beneficial ownership of common shares of the Company, as of March 15, 2013, for each current director, each nominee for election to the Board of Directors, each executive officer named in the Summary Compensation Table and all current directors and executive officers as a group.

| Name | No. of Common Shares and Nature of Beneficial Ownership (1) | Percent of Class (2) |
|-------------------------|---|----------------------|
| Anna P. Barnitz | 3,762 (3) | .09% |
| Steven B. Chapman | 3,322 (4) | .08% |
| Katrinka V. Hart (5) | 15,216 (6) | .37% |
| Harold A. Howe | 17,499 (7) | .43% |
| E. Richard Mahan (5) | 10,510 (8) | .26% |
| Larry E. Miller, II (5) | 11,846 (9) | .29% |
| Brent A. Saunders | 7,308 (10) | .18% |
| Scott W. Shockey (5) | 4,596 (11) | |

| | | |
|--|--------------|--------|
| | | .11% |
| Jeffrey E. Smith (5) | 24,373 (12) | .60% |
| David W. Thomas | 289,623 (13) | 7.13% |
| Lannes C. Williamson | 5,674 (14) | .14% |
| Thomas E. Wiseman (5) | 20,383 (15) | .51% |
| | | |
| All directors and executive officers as a Group (12 persons) | 414,112 | 10.19% |

(footnotes on next page)

(1) Unless otherwise indicated, the beneficial owner has sole voting and investment power with respect to all of the common shares reflected in the table. All fractional common shares have been rounded down to the nearest whole common share. The Company has never granted options to purchase its common shares. The mailing address for each of the current directors and executive officers of the Company is P.O. Box 240, Gallipolis, Ohio 45631.

(2) The percent of class is based on 4,062,204 common shares outstanding on March 15, 2013.

(3) Represents 3,685 common shares held jointly by Mrs. Barnitz and her spouse, as to which she shares voting and investment power, and 75 common shares held by Mrs. Barnitz as custodian for her children.

(4) Includes 3,212 common shares held jointly by Mr. Chapman and his spouse, as to which he shares voting and investment power. The number shown also includes 110 common shares held by Mr. Chapman's spouse, as to which she has sole voting and investment power.

(5) Executive officer of the Company.

(6) Includes 10,526 common shares held for the account of Ms. Hart in the ESOP.

(7) Includes 10,066 common shares held jointly by Mr. Howe and his spouse, as to which he shares voting and investment power; 6,902 common shares held in a self-directed individual retirement account at The Ohio Valley Bank Company ("Ohio Valley Bank"), as to which Ohio Valley Bank has voting power and Mr. Howe has investment power; 354 common shares held jointly by Mr. Howe and his children as to which he shares voting and investment power; and 175 common shares held by Mr. Howe as custodian for his daughter.

(8) Includes 5,174 common shares held jointly by Mr. Mahan and his spouse, as to which he shares voting and investment power; and 5,335 common shares held for the account of Mr. Mahan in the ESOP.

(9) Represents 3,749 common shares held jointly by Mr. Miller and his spouse, as to which he shares voting and investment power; 267 common shares held by Mr. Miller's daughter, as to which she has sole voting and investment power; 534 shares held by Mr. Miller as custodian for his sons; and 7,295 common shares held for the account of Mr. Miller in the ESOP.

(10) Includes 3,537 common shares held jointly by Mr. Saunders and his spouse, as to which he shares voting and investment power; 225 common shares held by Mr. Saunders as custodian for the benefit of his daughter; and 243 common shares held in a self-directed individual retirement account, as to which the broker has voting power and Mr. Saunders has investment power.

(11) Includes 4,068 common shares held for the account of Mr. Shockey in the ESOP.

(12) Includes 2,610 common shares held by Mr. Smith's spouse, as to which she has sole voting and investment power; 353 common shares held by Mr. Smith's spouse as custodian for the benefit of his daughter, as to which Mr. Smith's spouse exercises sole voting and investment power; and 16,836 common shares held for the account of Mr. Smith in the ESOP.

(13) Includes 3,164 common shares held jointly by Mr. Thomas and his spouse, as to which he shares voting and investment power. Also includes 285,060 shares held by the ESOP. See footnote 3 to previous table.

- (14) Includes 28 common shares held by Mr. Williamson's spouse, as to which she has sole voting and investment power; and 5,001 common shares held in a self-directed individual retirement account, as to which the broker has voting power and Mr. Williamson has investment power.
- (15) Includes 18,078 common shares held jointly by Mr. Wiseman and his spouse, as to which he shares voting and investment power; 673 common shares held by Mr. Wiseman as custodian for the benefit of his daughter; 323 common shares held by Mr. Wiseman as custodian for the benefit of his grandchildren; and 1,306 common shares held for the account of Mr. Wiseman in the ESOP.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company's directors and executive officers, as well as any persons holding more than 10% of the Company's outstanding common shares, are required to report their initial ownership of common shares and any subsequent changes in their ownership to the SEC. Specific due dates have been established by the SEC for such filings, and the Company is required to disclose in this proxy statement any failure to file by those dates. Based on its review of (1) Section 16(a) reports filed on behalf of these individuals for their transactions during the Company's 2012 fiscal year and (2) documentation received from one or more of these individuals that no annual Form 5 reports were required to be filed by them for the Company's 2012 fiscal year, the Company believes that all Section 16(a) reports were filed timely.

PROXY ITEM 1: ELECTION OF DIRECTORS

The Company's Board of Directors currently consists of eight members – three in the class whose terms expire at the Annual Meeting, three in the class whose terms expire in 2014 and two in the class whose terms expire in 2015. Section 2.02(C) of the Company's Regulations provides that the directors may change the number of directors and fill any vacancy created by an increase in the number of directors (provided that the directors may not increase the number of directors to more than twelve or reduce the number of directors to less than five).

In 1980, the Board of Directors of the Bank adopted a policy that each person becoming a director of the Bank after that date would be expected to retire at the next annual meeting of shareholders of the Bank following the director's 70th birthday. Since the Company was formed as the holding company of the Bank in 1992, the directors of the Company have followed that same practice, although neither the Company nor the Bank has ever provided such a requirement in its articles of incorporation or regulations or included any such provision in the charter of the Nominating and Corporate Governance Committee.

The Board of Directors proposes that Steven B. Chapman, Harold A. Howe and Jeffrey E. Smith be re-elected for a three-year term. Each nominee was recommended to the Board of Directors by the Nominating and Corporate Governance Committee. Each person elected as a director at the Annual Meeting will hold office for a term of three years and until his successor is duly elected and qualified or until his earlier resignation, removal from office or death. The three nominees for election as directors receiving the greatest number of votes will be elected. Common shares represented by properly executed and returned proxies will be voted FOR the election of the Board of Directors' nominees unless authority to vote for one or more nominees is withheld. Common shares as to which the authority to vote is withheld will be counted for quorum purposes, but will not be counted toward the election of directors or toward the election of the individual nominees specified on the proxy.

The following discussion provides certain information, as of March 15, 2013, concerning each nominee for election as a director of the Company.

Nominees for Election for Terms Expiring in 2016

Steven B. Chapman, Age 66

Director of the Bank since 1999; Director of the Company since 2001

Mr. Chapman is a certified public accountant with Steven B. Chapman CPA. He has been a certified public accountant for over 40 years, performing business advisory services, and preparing taxes in all areas. Mr. Chapman is a past partner with Chapman & Burriss CPA's LLC. Additionally, he has assisted in organizing various nonprofit and profit motivated entities. He has developed and currently participates in the management of various real estate, residential and commercial projects employing 7 people. Prior to establishing his own firm, Mr. Chapman had over 5

years of “Big 8” experience, including industrial, commercial and bank audit expertise. He served as Chairman of the Board for the University of Rio Grande for two years and has been a member of that board in excess of 10 years. Mr. Chapman is the Chairman of the Boards of Holzer Hospital and Holzer Hospital of Jackson, Ohio with over 1,500 employees. He is a member of the Company’s Executive Committee and Board Enterprise Risk Committee. In addition, Mr. Chapman Chairs the Audit Committee and is a member of the Investment and Advisory Committee for the Ohio Valley Banc Corp. Profit Sharing Retirement Plan. He is also a member of the Executive Committee and the Asset Quality Oversight Committee of Ohio Valley Bank. Mr. Chapman’s substantial financial experience qualifies him as an “audit committee financial expert” for purposes of Item 401(h) of SEC Regulation S-K based on his training and experience as a Certified Public Accountant.

Harold A. Howe, Age 62

Director of the Bank since 1998; Director of the Company since 2005

Mr. Howe is a self-employed businessman with an emphasis in real estate investment and rental property. He also owns several small businesses in the Jackson, Ohio area. As such he understands the demands and needs of small businesses, which are a key constituent of the Company. Mr. Howe has 30 years of banking experience with the former Jackson Savings Bank, serving as president for 8 of those years. During his tenure at Jackson Savings Bank, Mr. Howe presided over the Jackson Savings Bank's conversion to a stock company as well as the sale of Jackson Savings Bank to the Company in December 1998 and its subsequent merger into the Company in November 2000. Because of Mr. Howe's background and experience, he is very familiar with the various challenges that must be overcome to be successful in the financial services industry. He is very active in the community of Jackson, Ohio serving as President of the Jackson Community Improvement Corporation as well as being a member of the Metropolitan Housing Board. Mr. Howe is a member of a number of community organizations, such as Rotary, Elks, Moose and the Jaycees. Mr. Howe is a member of the following committees of the Company: Executive, Compensation and Management Succession, Nominating and Corporate Governance, and the Investment and Advisory Committee for the Ohio Valley Banc Corp. Employee Stock Ownership Plan. Mr. Howe is also a member of the Executive Committee and Trust Committee of Ohio Valley Bank.

Jeffrey E. Smith, Age 63

Director of the Bank since 1987; Director of the Company since 1992

Mr. Smith has been Chairman of the Board of the Company since May 2012. He served as Chairman and Chief Executive Officer (CEO) of the Company from January 2010 until May 2012. Between April 2000 and December 2009 he served as the Company's President and CEO. He has been employed in numerous capacities with the Company since 1973. Mr. Smith is a member of the Executive and Management Enterprise Risk Committees, and an Ex Officio member of the Board Enterprise Risk Committee of the Company. In addition, he is a member of the Executive, Trust and Asset Liability Committees of Ohio Valley Bank. He is currently serving on the American Bankers Association's Community Bankers Council as a member of the Administrative Committee, following a three-year term on the American Bankers Association's Community Bankers Council. Mr. Smith is a past Chairman of the University of Rio Grande Board of Trustees and has served as a member of the University of Rio Grande Board of Trustees for over 25 years. Presently, he is also a member of the Finance and Investment Committee for the University of Rio Grande. Throughout his career, Mr. Smith has served on the boards of a number of community and nonprofit organizations.

The Board of Directors recommends that shareholders vote FOR the election of the above nominees.

While it is contemplated that all nominees will stand for election, if one or more nominees at the time of the Annual Meeting should be unavailable or unable to serve as a candidate for election as a director, the individuals designated as proxy holders reserve full discretion to vote the common shares represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee or nominees designated by the Board of Directors. The Board of Directors knows of no reason why any of the nominees named above will be unavailable or unable to ser