

EVANS BANCORP INC
Form DEF 14A
April 01, 2009

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**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 the Registrant

Check the appropriate box:

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

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:

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- Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 1, 2009

To Our Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the 2009 Annual Meeting of Shareholders of Evans Bancorp, Inc. The Annual Meeting this year will be held at Romanello's South Restaurant, 5793 South Park Avenue, Hamburg, New York, on **Thursday, April 23, 2009 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 2009 Annual Meeting. The Board of Directors of Evans Bancorp recommends a vote **FOR** the re-election of Robert G. Miller, Jr., John R. O'Brien, and James Tilley as directors for a three year term, and **FOR** approval of the 2009 Long-Term Equity Incentive Plan.

To Vote:

Your vote is important, regardless of whether or not you attend the Annual Meeting. 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 and **FOR** approval of the 2009 Long-Term Equity Incentive Plan, 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:

The Annual Meeting will include a continental breakfast. 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

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EVANS BANCORP, INC.

14-16 North Main Street
Angola, New York 14006

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 23, 2009

The Twenty-First Annual Meeting of Shareholders of Evans Bancorp, Inc., a New York corporation (the Company), will be held on Thursday, April 23, 2009 at 9:00 a.m. at Romanello's South Restaurant, 5793 South Park Avenue, Hamburg, New York, for the following purposes:

- (1) To elect three directors of the Company, such directors to hold office for the term of three years and until the election and qualification of their successors.
- (2) To approve the 2009 Long-Term Equity Incentive Plan.
- (3) 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 23, 2009**

The information on the Company's Proxy Statement and 2008 Annual Report, which includes the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC), are available on the Company's website at www.evansbancorp.com.

The Board of Directors has fixed the close of business on March 9, 2009 as the record date for the determination of Shareholders entitled to notice of and to vote at the Annual Meeting.

A copy of the Company's Annual Report to Shareholders and Annual Report on Form 10-K for the Company's 2008 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

William R. Glass
Secretary

Angola, New York
April 1, 2009

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EVANS BANCORP, INC.

14-16 North Main Street
Angola, New York 14006

PROXY STATEMENT

Dated April 1, 2009

For the Annual Meeting of Shareholders
to be Held April 23, 2009

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 Twenty-First Annual Meeting of Shareholders (the Annual Meeting) to be held at Romanello's South Restaurant, 5793 South Park Avenue, Hamburg, New York, on **Thursday, April 23, 2009 at 9:00 a.m.** and at any adjournments thereof. The enclosed proxy is being solicited by the Board of Directors of the Company.

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 the director nominees named therein and FOR approval of the 2009 Long-Term Equity Incentive Plan. 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.

This Proxy Statement and the enclosed proxy are first being mailed to shareholders on or about April 1, 2009.

The following proposals will be considered at the meeting:

Proposal I To elect three directors of the Company, such directors to hold office for the term of three years and until the election and qualification of their successors

Proposal II To approve the 2009 Long-Term Equity Incentive Plan

The Board of Directors of the Company unanimously recommends that you vote FOR each of the proposals.

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Voting Securities

Only holders of shares of common stock of record at the close of business on March 9, 2009 are entitled to notice of and to vote at the Annual Meeting and at all adjournments thereof. At the close of business on March 9, 2009, the Company had 2,769,715 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 instruction from the beneficial owner of the shares and no instruction is given.

Under the Company's bylaws and the laws of the State of New York, directors of the Company are elected by a plurality of the votes cast at the meeting by holders of shares of common stock entitled to vote in the election. That means the three director nominees will be elected if they receive more affirmative votes than any other nominees. Abstentions and broker non-votes will have no effect on the outcome of the election of directors.

A majority of the votes cast at the meeting by holders of shares of common stock entitled to vote is required to approve the 2009 Long-Term Equity Incentive Plan. Abstentions and broker non-votes will have the same effect as votes Against this proposal.

Security Ownership of Management and Certain Beneficial Owners

The following table sets forth information, as of March 9, 2009, concerning, except as indicated in the footnotes below:

- 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.
- All of our directors and executive officers as a group.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to 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 9, 2009 includes shares of common stock that such person has the right to acquire on or within 60 days after March 9, 2009 upon the exercise of options. For each individual included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person by the sum of the 2,769,715 shares of common stock outstanding on March 9, 2009 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 9, 2009. Beneficial ownership representing less than one percent is denoted with an * .

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Name of Beneficial Owner	Number of Shares Beneficially Owned	Total Percent of Class
Directors and Officers		
James E. Biddle, Jr. (1)	12,307	*
Phillip Brothman (2)	41,718	1.5%
Kenneth C. Kirst (3)	5,478	*
Mary Catherine Militello (4)	6,547	*
Robert G. Miller, Jr (5)	75,462	2.7%
David J. Nasca (6)	10,510	*
John R. O'Brien (7)	5,970	*
David M. Taylor (8)	10,773	*
James Tilley (9)	4,132	*
Nancy W. Ware (10)	6,111	*
Thomas H. Waring, Jr. (11)	7,706	*
William R. Glass (12)	6,893	*
Gary A. Kajtoch	3,800	*
Directors and executive officers as a group (13 persons) (13)	197,407	7.1%

5% Security Holders

William F. Barrett (14) 8685 Old Mill Run Angola, NY 14006	242,761	8.7%
Wellington Management Company, LLP (15) 75 State Street Boston, MA 02109	197,209	7.1%

(1) Includes 4,261 shares that Mr. Biddle may

acquire by
exercise of
options
available at
March 9, 2009
or within
60 days
thereafter.

- (2) Includes 2,960 shares owned by Mr. Brothman's wife, 1,688 shares owned by Merrill Lynch as custodian for Phillip Brothman IRA account, and 10,650 shares that Mr. Brothman may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.
- (3) Includes 114 shares owned by Mr. Kirst's wife, and 2,000 shares that Mr. Kirst may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.
- (4) Includes 3,103 shares that Mrs. Militello may acquire by exercise of options

available at
March 9, 2009
or within
60 days
thereafter.

(5) Includes 394
shares owned by
Mr. Miller's
daughter, as to
which he
disclaims
beneficial
ownership, 185
shares owned by
Mr. Miller's son,
as to which he
disclaims
beneficial
ownership, and
1,158 shares
that Mr. Miller
may acquire by
exercise of
options
available at
March 9, 2009
or within
60 days
thereafter.

(6) Includes 1,249
shares owned
jointly by
Mr. Nasca and
his wife, 95
shares owned by
Mr. Nasca's son,
89 shares owned
by Mr. Nasca's
son, and 79
shares owned by
Mr. Nasca's
daughter.

(7) Includes 3,921
shares that
Mr. O'Brien may
acquire by
exercise of
options

available at
March 9, 2009
or within
60 days
thereafter.

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(8) Includes 453 shares owned jointly by Mr. Taylor and his wife, and 4,261 shares that Mr. Taylor may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.

(9) Includes 113 shares held by Mr. Tilley's wife, 16 shares held by Mr. Tilley, as trustee, in trust for his grandson, and 1,000 shares that Mr. Tilley may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.

(10) Includes 4,261 shares that Mrs. Ware may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.

(11)

Includes 6,390 shares that Mr. Waring may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.

(12) Includes 2,615 shares held jointly by Mr. Glass and his wife and 1,158 shares that Mr. Glass may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.

(13) Includes executive officers of the Company who are not identified in the table above.

(14) Includes 67,531 shares owned by Mr. Barrett's wife, and 3,261 shares that Mr. Barrett may acquire by exercise of options available at March 9, 2009 or within 60 days thereafter.
Mr. Barrett

served as a director of the Company from 1971 until his retirement effective November 1, 2007, and served as a director emeritus of the Company from that date until November 1, 2008.

- (15) Based on the most recently available Schedule 13G filed with the Securities and Exchange Commission on February 17, 2009.

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, 2008 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 price of outstanding options (\$)	Number of securities remaining available for future issuance under the plans (#) (1)
Equity Compensation Plan Approved by Security Holders			
Evans Bancorp, Inc. 1999 Employee Stock Option and Long-Term Incentive Plan	119,796	18.98	159,440
Evans Bancorp, Inc. Employee Stock Purchase Plan			53,815

- (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 requires the Company's officers and directors, and persons who beneficially own more than ten percent of the Company's common stock, to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission (the SEC). Officers, directors and greater than ten percent 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 fiscal 2008, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with by such persons, except that John R. O'Brien had one late Form 4 filing.

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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 eleven members. The nominees for director at the 2009 Annual Meeting are: Robert G. Miller, Jr., John R. O'Brien and James Tilley, each of whom currently serves as a director and is standing for re-election.

Messrs. Miller, O'Brien and Tilley, if elected as directors, will hold office for three years until the Annual Meeting of Shareholders in 2012 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.

It is intended that proxies solicited by the Board of Directors will, unless otherwise directed, be voted FOR the director nominees: Robert G. Miller, Jr., John R. O'Brien and James Tilley.

THE COMPANY'S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES OF 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 Directors (for terms expiring in 2012):

Name	Age	Position	Term Expires	Independent*
Robert G. Miller, Jr.	52	Director President, The Evans Agency, Inc.	2009	No
John R. O'Brien	59	Director Vice Chairman of the Board	2009	Yes
James Tilley	67	Director	2009	No
Executive Officer				

* Independence has been determined by the Company's Board of Directors as defined in the marketplace rules of the Nasdaq Stock Market.

Table of Contents**Directors Continuing in Office and Executive Officers:**

Name	Age	Position	Term Expires	Independent*
James E. Biddle, Jr.	47	Director	2011	Yes
Phillip Brothman	70	Director Chairman of the Board	2010	Yes
Kenneth C. Kirst	56	Director	2011	Yes
Mary Catherine Militello	51	Director	2010	Yes
David J. Nasca	51	Director President and Chief Executive Officer of the Company President and Chief Executive Officer of Evans Bank, N.A.	2010	No
David M. Taylor	58	Director	2010	Yes
Nancy W. Ware	52	Director	2011	Yes
Thomas H. Waring, Jr.	51	Director	2010	Yes
William R. Glass	62	Secretary of the Company Senior Vice President of Evans Bank, N.A. Chief Executive Officer, Evans National Leasing, Inc.		
Gary A. Kajtoch	42	Treasurer of the Company Senior Vice President and Chief Financial Officer of Evans Bank, N.A.		

Executive
Officer

* Independence has been determined by the Company's Board of Directors as defined in the marketplace rules of the Nasdaq Stock Market.

Directors, Director Nominees and Executive Officer Information.

Set forth below is biographical and other information, as of March 9, 2009, about (1) the persons who will make up the Board of Directors following the Annual Meeting, assuming election of the nominees named above, and (2) the executive officers of the Company.

Mr. Miller has been a director of the Company since 2001. He has served as the President of The Evans Agency, Inc. (TEA), an indirect wholly-owned subsidiary of the Company, since 2000. Mr. Miller serves as President of TEA pursuant to an employment agreement with TEA.

Mr. O'Brien has been a director of the Company since 2003. Prior to his retirement in June 2004, Mr. O'Brien served as the Executive Director of Financial Administration for the Roman Catholic Diocese of Buffalo, New York.

Mr. Tilley has been a director of the Company since 2001. Mr. Tilley served as President of the Company and the Evans Bank, N.A. (the Bank) from January 2001 until December 1, 2006, and as Chief Executive Officer of the Company and the Bank from January 2002 until April 1, 2007.

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Mr. Biddle has been a director of the Company since 2001. He serves as the Chairman and Treasurer of Mader Construction Co., Inc., and has held that position since 2001. In addition, Mr. Biddle serves as the Vice President and Treasurer of Arric Corp., an environmental remediation company.

Mr. Brothman has been a director of the Company since 1976. He was a partner in the law firm of Hurst Brothman & Yusick from January 1969 until February 2004 when Hurst Brothman & Yusick merged with Harris Beach PLLC. Mr. Brothman is currently a member of the law firm of Harris Beach PLLC. He has served as Chairman of the Board of Directors of the Company and Chairman of the Board of Directors of the Bank since January 2001.

Mr. Kirst has been a director of the Company since 2005. He is the Executive Vice President of Kirst Construction, Inc., a construction company, and has held that position since 2004. From 1976 until 2004, he was the Vice President of Kirst Construction, Inc.

Mrs. Militello has been a director of the Company since 2004. She has owned and managed Militello Marketing, a marketing consulting company, since 1999.

Mr. Nasca has been a director of the Company since September 1, 2006. Mr. Nasca also serves as the President and Chief Executive Officer of the Company and as President and Chief Executive Officer of the Bank. He has held the position of President of the Company and Bank since December 1, 2006, and Chief Executive Officer of the Company and the Bank since April 1, 2007. Mr. Nasca served as Chief Operating Officer of LifeStage, LLC, a health care services startup company, from October 2005 to August 2006. From June 2004 to July 2005, Mr. Nasca served as Executive Vice President Strategic Initiatives of First Niagara Financial Group. Mr. Nasca held the position of Executive Vice President Consumer Banking Group, Central New York Regional Executive of First Niagara Financial Group from June 2002 through June 2004. Mr. Nasca serves as President and CEO of the Company and the Bank pursuant to an employment agreement with the Company and the Bank.

Mr. Taylor has been a director of the Company since 1986. He has served as the President of Concord Nurseries, Inc., a shrub, fruit and tree wholesale nursery, since 1985.

Mrs. Ware has been a director of the Company since 2003. She has served as the President of EduKids, Inc. Early Childhood Centers since 1989.

Mr. Waring has been a director of the Company since 1998. He has owned and managed Waring Financial Group, a financial planning, insurance and financial services and sales firm, since 1996.

Mr. Glass is the Secretary of the Company and also serves as Senior Vice President of the Bank and Chief Executive Officer of Evans National Leasing, Inc. (ENL), positions he has held since 1994 and December 2004, respectively. Mr. Glass has served as Secretary of the Company since April 2006. Mr. Glass served as Assistant Secretary of the Company from April 2003 until April 2006. Mr. Glass serves as Senior Vice President of the Bank pursuant to an employment agreement with the Bank.

Mr. Kajtoch has served as Treasurer of the Company since April 2007 and has served as Senior Vice President and Chief Financial Officer of the Bank since February 2007. Prior to joining the Company, Mr. Kajtoch served as a Vice President in the Finance Division of M&T Bank. His responsibilities in his most recent positions at M&T included serving as manager of Management Accounting (2005-2007), manager of the Business Valuation and NPV Analysis Group (2004-2005), and as CFO of the Commercial Bank Division (2000-2004). Mr. Kajtoch serves as Chief Financial Officer and Senior Vice President of the Bank pursuant to an employment agreement with the Bank.

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Independence of Directors

A majority of the Board of Directors and each member of the Compensation, Nominating and Audit Committees are independent, as affirmatively determined by the Board, consistent with the criteria established by the Nasdaq Stock Market and as required by the Company's Bylaws.

The Board has conducted an annual review of director independence for all current nominees for election as directors and all continuing directors. During this review, the Board considered transactions and relationships during the prior year between each director or any member of his or her immediate family and the Company and its subsidiaries, affiliates and equity investors, including those reported under Transactions with Related Persons. The board also examined transactions and relationships between directors or their affiliates and members of the senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

As a result of this review, the Board affirmatively determined that of the nominees, John R. O'Brien, and the following continuing directors, meet the Company's standard of independence: James E. Biddle, Jr., Phillip Brothman, Kenneth C. Kirst, Mary Catherine Militello, David M. Taylor, Nancy W. Ware and Thomas H. Waring, Jr. The remaining director and nominees were not determined to be independent for the following reasons: David J. Nasca and Robert G. Miller, Jr. are currently executive officers of the Company, and James Tilley has served as an executive officer of the Company within the last three years. Mr. Tilley retired as an executive officer of the Company on April 1, 2007.

Policy for Director Attendance at Annual Meeting. It is the policy of the Company that all directors be present at the Annual Meeting, barring unforeseen or extenuating circumstances. All directors were present at the Company's 2008 Annual Meeting.

Shareholder Communications with the Board of Directors. Shareholders and other parties interested in communicating directly with the Company's Board of Directors may do so by writing to the Evans Bancorp, Inc. Board of Directors, One Grimsby Drive, Hamburg, NY 14075. All correspondence received under this process is compiled and summarized by the Executive Assistant to the President and Chief Executive Officer of the Company and presented to the Board of Directors. Concerns relating to accounting, internal controls or auditing matters are handled in accordance with procedures established by the Audit Committee. These procedures are available in the Governance Documents - Audit Concerns and Communication Policy section of the Company's website (www.evansbancorp.com).

Code of Ethics for Chief Executive Officer and Principal Financial Officer. The Company has a Chief Executive Officer/Treasurer Code of Ethics, which is applicable to the Company's principal executive officer and principal financial officer. The Chief Executive Officer/Treasurer Code of Ethics is available in the Governance Documents section of the Company's website (www.evansbancorp.com). The Company intends to post amendments to or waivers from its code of ethics at this location on its website.

BOARD OF DIRECTOR COMMITTEES

The Company's Board of Directors has five standing committees: the Audit Committee, the Governance Committee, the Human Resource and Compensation Committee, the Nominating Committee and the Stock Option and Long-Term Incentive Plan Committee. The members of each committee have been nominated by the Chairman of the Board of Directors and approved by the full Board. The names of the members of each committee, together with a brief description of each committee's function, is set forth below.

Audit Committee:

John R. O'Brien, Chairman
David M. Taylor

James E. Biddle, Jr.

Mary Catherine Militello

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The Audit Committee met seven times during fiscal 2008. The Audit Committee is responsible for reviewing the financial information of the Company that will be provided to shareholders and others, overseeing the systems of internal controls which management and the Board of Directors have established, selecting and monitoring the performance of the Company's independent auditors, and overseeing the Company's audit and financial reporting processes. The Board of Directors has determined that John R. O'Brien and James E. Biddle, Jr. each qualify as an audit committee financial expert as defined in Item 407(d) of Regulation S-K, and that each member of the Audit Committee is an independent director as defined in the marketplace rules of the Nasdaq Stock Market. The Board of Directors has adopted an Audit Committee Charter, which is available in the Governance Documents section of the Company's website at www.evansbancorp.com.

Human Resource and Compensation Committee:

Thomas H. Waring, Jr., Chairman	Phillip Brothman	Mary Catherine Militello
Nancy W. Ware		

The Human Resource and Compensation Committee met six times during fiscal 2008. Its primary responsibilities include reviewing management's recommendations and making determinations regarding job classifications, salary ranges, annual merit increases and fringe benefits; and establishing the compensation levels of the Named Executive Officers of the Company. The Board of Directors has determined that each of the members of the Human Resource and Compensation Committee is an independent director, as defined in the marketplace rules of the Nasdaq Stock Market. The Board of Directors has adopted a Human Resource and Compensation Committee Charter, which is available in the Governance Documents section of the Company's website at www.evansbancorp.com.

Stock Option and Long-Term Incentive Plan Committee:

Mary Catherine Militello	Nancy W. Ware
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The Stock Option and Long-Term Incentive Plan Committee met three times during fiscal 2008. Historically, its purpose has been to determine the terms and provisions of awards to eligible persons under the Evans Bancorp, Inc. 1999 Stock Option and Long-Term Incentive Plan (as amended and restated as of January 27, 2003) (the Plan). This committee also may interpret the Plan, prescribe, amend and rescind rules and regulations relating to the Plan and make such other determinations as the Committee deems necessary and advisable for the administration of the Plan.

Governance Committee:

Nancy W. Ware, Chairwoman	James E. Biddle, Jr.	Phillip Brothman
Kenneth C. Kirst	David J. Nasca	John R. O'Brien
James Tilley		

The Governance Committee met four times during fiscal 2008. Its purpose is to assist the Board in developing and implementing corporate governance guidelines for the Company, and to provide oversight of the corporate governance affairs of the Company.

Nominating Committee:

Phillip Brothman, Chairman	James E. Biddle, Jr.	Kenneth C. Kirst
Nancy W. Ware		

The Nominating Committee is delegated with the responsibility of identifying and recommending to the Board candidates for director nominees to be presented to the shareholders for their consideration at the annual meetings of shareholders, and to fill vacancies on the Board of Directors. The Nominating Committee did not separately meet during fiscal 2008; the director nominees for the Annual Meeting were selected by a majority of the independent directors of the full Board. The Board of Directors has determined that each of

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the members of the Nominating Committee is an independent director, as defined in the marketplace rules of the Nasdaq Stock Market. The Board of Directors has adopted a Nominating Committee Charter, which is available in the Governance Documents section of the Company's website at www.evansbancorp.com.

The Company's bylaws set out the procedure to be followed by shareholders desiring to nominate directors for consideration at an annual meeting of shareholders. Under the Company's bylaws, shareholder director nominations must be submitted to the Secretary of the Company in writing not less than 14 days nor more than 50 days immediately preceding the date of the annual meeting. If less than 21 days notice of the annual meeting is given to shareholders, nominations must be mailed or delivered to the Secretary of the Company not later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification must contain the following information to the extent known by the notifying shareholder: (a) name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of common stock of the Company that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of common stock of the Company owned by the notifying shareholder. Additionally, the Company's bylaws require that, in order to serve as a director of the Company, an individual must own at least \$10,000 aggregate market value of the Company's common stock and must be less than 70 years of age. Nominations not made in accordance with the bylaws of the Company may be disregarded by the presiding officer of the meeting, in his or her discretion, and upon his or her instruction, the inspectors of election may disregard all votes cast for each such nominee. However, in the event that any such nominee is nominated by more than one shareholder, the nomination shall be honored, and all votes cast in favor of such nominee shall be counted if at least one nomination for that person complies with the provisions of the bylaws of the Company.

The process whereby the Nominating Committee identifies director candidates may include identification of individuals well-known in the community in which the Company operates and individuals recommended to the Nominating Committee by current directors or officers who know those individuals through business or other professional relationships, as well as recommendations of individuals to the Nominating Committee by shareholders and customers. The Nominating Committee is developing a formal procedure to be followed by shareholders desiring to submit director candidates to the Nominating Committee. This procedure will be made available in the Governance Documents section of the Company's website. In its evaluation of prospective director candidates, the Nominating Committee considers an individual's independence (as defined in the marketplace rules of the Nasdaq Stock Market), skills and experience relative to the needs of the Company. Director candidates meet personally with the members of the Nominating Committee and are interviewed to determine their satisfaction of the criteria referred to above. There is no difference in the manner in which the Nominating Committee will evaluate director candidates recommended by shareholders, as opposed to director candidates presented for consideration to the Nominating Committee by directors, officers or otherwise.

Board Meetings and Attendance at Board of Director and Committee Meetings. The Company's Board of Directors met eleven times during fiscal 2008. Each incumbent director attended at least 75% of the aggregate of: (1) all meetings of the Company's Board of Directors (held during the period for which he or she served as a director) and (2) all meetings held by the committees of the Company's Board of Directors on which he or she served (during the periods that he or she served).

Availability of Committee Charters and Other Corporate Governance Documents. Current copies of the written charters for the Audit Committee, Human Resource and Compensation Committee, Governance Committee and Nominating Committee, copies of the Company's Chief Executive Officer/Treasurer Code of Ethics and Code of Conduct, the Policy for Communication to the Board of Directors, and the process for reporting questionable accounting or audit matters are available in the Governance Documents section of the Company's website at www.evansbancorp.com.

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Director Fees. Each director of the Company also serves as a member of the Board of Directors of the Bank. Non-employee directors do not receive compensation for meetings of the Bank's Board, but do receive committee fees. Further, it is the policy of the Board that employee directors are not paid for their service on the Company's or the Bank's Board of Directors in addition to their regular employee compensation.

During fiscal 2008,

non-employee directors were compensated at the rate of \$1,000 per meeting of the Company's Board of Directors, except Mr. Biddle who received \$1,300 per meeting for his administrative director services to the Board.

non-employee directors were compensated at a rate of \$350 per committee meeting of the Board of Directors of the Company and of the Bank, except that the chairperson of each committee received \$550 per meeting and the chairpersons of the Audit Committee and Human Resources and Compensation Committee received \$650 per meeting.

each of the non-employee directors was granted stock options on the date of the 2008 Annual Meeting pursuant to the Plan. Each non-employee director received a grant of 1,000 stock options, except that Mr. Brothman received a grant of 2,500 stock options as compensation for his service as Chairman of the Board of Directors, Mr. O'Brien received a grant of 1,500 stock options as compensation for his service as Vice Chairman of the Board of Directors, and Mr. Waring received a grant of 1,500 stock options as compensation for his prior service as Vice Chairman of the Board of Directors.

in addition to director meeting fees, Mr. Brothman received \$41,000 in 2008 for serving as Chairman of the Board of Directors of the Company and of the Bank. Mr. Brothman was not paid committee meeting fees.

non-employee directors did not receive a bonus in fiscal 2008.

Director Compensation. The following table provides information with regard to the compensation for the Company's non-employee directors during the fiscal year ended December 31, 2008.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (1) (\$)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (2) (\$)	Total (\$)
James Biddle, Jr.	15,850	2,310	1,212	19,372
Phillp Brothman	53,000	5,775	7,210	65,985
Kenneth C. Kirst	20,750	2,310	769	23,829
Mary C. Militello	16,900	2,310	209	19,419
John R. O'Brien	25,350			