

EVANS BANCORP INC
Form DEF 14A
March 22, 2012

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:

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(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):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

March 22, 2012

To Our Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the 2012 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 26, 2012 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 2012 Annual Meeting. The Board of Directors of Evans Bancorp recommends a vote FOR the election of Robert G. Miller, Jr., John R. O'Brien, and Michael J. Rogers as directors for a three year term. The Board of Directors of Evans Bancorp also recommends a vote FOR the amendment to increase the aggregate number of shares of Common Stock available for issuance under the Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan from two hundred ten thousand (210,000) to five hundred ten thousand (510,000), and FOR ratification of the appointment of KPMG LLP as Evans Bancorp's independent registered public accounting firm for fiscal year 2012.

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 amendment to increase the aggregate number of shares of Common Stock available for issuance under the Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan from two hundred ten thousand (210,000) to five hundred ten thousand (510,000) and FOR ratification of the appointment of KPMG LLP as Evans Bancorp, Inc.'s independent registered public accounting firm for fiscal year 2012, 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 26, 2012

The Twenty-Fourth Annual Meeting of Shareholders of Evans Bancorp, Inc., a New York corporation (the Company), will be held on Thursday, April 26, 2012 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 amend the Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan to increase the aggregate number of shares of Common Stock available for issuance under the Plan from two hundred ten thousand (210,000) to five hundred ten thousand (510,000).
- (3) To ratify the appointment of KPMG LLP as Evans Bancorp, Inc.'s independent registered public accounting firm for fiscal year 2012.
- (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, 2012

The Company's Proxy Statement and 2011 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 9, 2012 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 2011 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

Angola, New York

March 22, 2012

EVANS BANCORP, INC.

14-16 North Main Street

Angola, New York 14006

PROXY STATEMENT

Dated March 22, 2012

For the Annual Meeting of Shareholders

to be Held April 26, 2012

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-Fourth 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 26, 2012 at 9:00 a.m.** and at any adjournments thereof. The enclosed proxy is being solicited by the Board of Directors of the Company. To obtain directions to be able to attend our Annual Meeting and vote in person, please contact Michelle A. Baumgarden, (716) 926-2032.

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, FOR the amendment to increase the aggregate number of shares of Common Stock available for issuance under the Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan from two hundred ten thousand (210,000) to five hundred ten thousand (510,000), and FOR ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2012. 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 March 22, 2012.

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 amend the Evans Bancorp, Inc. 2009 Long-Term Equity Incentive Plan to increase the aggregate number of shares of Common Stock available for issuance under the Plan from two hundred ten thousand (210,000) to five hundred ten thousand (510,000) (the "Plan Amendment").

Proposal III To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2012.

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

Voting Securities

Only holders of shares of common stock of record at the close of business on March 9, 2012 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, 2012, the Company had 4,128,905 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.

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. That means the three director nominees identified in this Proxy Statement will be elected if they receive more affirmative votes than any other nominees. The approval of the Plan Amendment (Proposal II) and the ratification of the appointment of the Company's independent registered public accounting firm (Proposal III) requires 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.

Abstentions and broker non-votes will be counted as present for purposes of determining the existence of a quorum at the Annual Meeting. For purposes of Proposal I (election of directors) and Proposal III (ratification of appointment of independent auditors), abstentions and broker non-votes are not treated as votes cast at the Annual Meeting, and will have no effect on the outcome of those proposals. For purposes of Proposal II (approval of the Plan Amendment), under applicable NYSE Amex guidelines, abstentions will be treated as votes cast at the Annual Meeting, and an abstention will therefore have the same effect as a vote against the proposal. Broker non-votes will not be treated as votes cast, and will have no effect on the outcome of Proposal II.

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. Proposal I relating to the election of your Board's nominees for Directors and Proposal II relating to the Plan Amendment are considered non-routine matters, and Proposal III relating to the appointment of the Company's independent auditors for fiscal year 2012 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, if you do not give specific instructions to your broker how to vote your shares on your behalf with respect to Proposals I and II before the 10th day prior to the Annual Meeting, your broker will have no discretionary authority to vote your shares on those matters at the Annual Meeting. Therefore, if you hold your shares in street name, you must give specific instructions to your broker for your shares to be voted on the election of Directors or on the Plan Amendment at the Annual Meeting.

Security Ownership of Management and Certain Beneficial Owners

The following table sets forth information, as of March 9, 2012, 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, 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 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, 2012 includes shares of common stock that such person has the right to acquire on or within 60 days after March 9, 2012 upon the exercise of options and shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof. 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 4,128,905 shares of common stock outstanding on March 9, 2012 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, 2012. Beneficial ownership representing less than one percent is denoted with an *.

| Name of Beneficial Owner | Number of Shares Beneficially Owned | Percent of Class |
|--|--|---------------------|
| <u>Directors and Officers</u> | | |
| James E. Biddle, Jr. (1) | 21,747 | * |
| Phillip Brothman (2) | 44,120 | 1.1% |
| Marsha S. Henderson (3) | 1,850 | * |
| Kenneth C. Kirst (4) | 16,223 | * |
| Robert G. Miller, Jr. (5) | 97,039 | 2.4% |
| David J. Nasca (6) | 44,713 | 1.1% |
| John R. O'Brien (7) | 10,489 | * |
| Michael J. Rogers (8) | 1,348 | * |
| James Tilley (9) | 6,320 | * |
| Nancy W. Ware (10) | 9,141 | * |
| Thomas H. Waring, Jr. (11) | 10,902 | * |
| Lee C. Wortham (12) | 1,850 | * |
| Gary A. Kajtoch (13) | 26,521 | * |
| Cynthia M. Rich (14) | 17,946 | * |
| Directors and executive officers as a group (14 persons) | 310,209 | 7.5% |
| <u>5% Security Holders</u> | | |
| Wellington Management Company, LLP (15) | | |
| 75 State Street | | |
| Boston, MA 02109 | | |
| | 392,039 | 9.5% |
| Sandler O'Neill Asset Management, LLC (16) | | |
| 780 Third Avenue, 5 th Floor | | |
| New York, NY 10017 | | |
| | 353,800 | 8.6% |
| Castine Capital Management, LLC (17) | | |
| One International Place, Suite 2401 | | |
| Boston, MA 02110 | | |
| | 231,565 | 5.6% |

- (1) Includes 4,261 shares that Mr. Biddle may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (2) Includes 3,309 shares owned by Mr. Brothman's wife, 1,887 shares owned by Merrill Lynch as custodian for Phillip Brothman IRA account, 10,650 shares that Mr. Brothman may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (3) Includes 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (4) Includes 1,110 shares owned by Mr. Kirst's wife, 2,000 shares that Mr. Kirst may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (5) Includes 15,589 shares that Mr. Miller may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 1,614 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (6) Includes 1,249 shares owned jointly by Mr. Nasca and his wife, 477 shares owned by Mr. Nasca's children, 18,080 shares that Mr. Nasca may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 2,724 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (7) Includes 3,921 shares that Mr. O'Brien may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (8) Includes 648 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (9) Includes 113 shares held by Mr. Tilley's wife, 18 shares held by Mr. Tilley, as trustee, in trust for his grandson, 1,000 shares that Mr. Tilley may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 143 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (10) Includes 4,261 shares that Ms. Ware may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (11) Includes 900 shares held by Mr. Waring's wife, 6,390 shares that Mr. Waring may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (12) Includes 430 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (13) Includes 9,555 shares that Mr. Kajtoch may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 1,404 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (14) Includes 7,897 shares that Ms. Rich may acquire by exercise of options exercisable on March 9, 2012 or within 60 days thereafter and 1,170 shares of restricted stock that are subject to forfeiture and transfer restrictions until the vesting date thereof.
- (15) Based on the most recently available Schedule 13G filed with the SEC on February 14, 2011.
- (16) Based on the most recently available Schedule 13D/A filed with the SEC on March 28, 2011.
- (17) Based on the most recently available Schedule 13G filed with the SEC on February 10, 2012.

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, 2011 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 | 135,630 | 13.41 | 47,375 |
| Evans Bancorp, Inc. 1999 Employee Stock Option and Long-Term Incentive Plan | 102,938 | 20.00 | |
| Evans Bancorp, Inc. Employee Stock Purchase Plan | | | 98,236 |
| Total | 238,568 | | 145,611 |

(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 Securities and Exchange Commission (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 fiscal 2011, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with by such persons.

PROPOSAL I - ELECTION OF DIRECTORS

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 2012 Annual Meeting are: Robert G. Miller, Jr., John R. O'Brien and Michael J. Rogers, for the following terms and until their successors are duly elected and qualified:

Board nominees for terms to expire at the 2015 Annual Meeting: Messrs. Miller, O'Brien and Rogers

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 Michael J. Rogers.

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 Director:

| Name | Age | Position | Term to Expire | Independent* |
|-----------------------|-----|--|----------------|--------------|
| Robert G. Miller, Jr. | 55 | Director | | |
| | | Secretary of the Company | | |
| | | President of The Evans Agency, LLC | | |
| | | Executive Vice President of Evans Bank, N.A. | 2015 | No |
| John R. O'Brien | 62 | Director | | |
| | | Vice Chairman of the Board | 2015 | Yes |
| Michael J. Rogers | 54 | Director | 2015 | Yes |

Executive Officer

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

Directors Continuing in Office and Executive Officers:

| Name | Age | Position | Term Expires | Independent* |
|----------------------|-----|---|--------------|--------------|
| James E. Biddle, Jr. | 50 | Director | 2014 | Yes |
| Phillip Brothman | 74 | Director | | |
| | | Chairman of the Board | 2013 | Yes |
| Marsha S. Henderson | 64 | Director | 2014 | Yes |
| Kenneth C. Kirst | 59 | Director | 2014 | Yes |
| David J. Nasca | 54 | Director | | |
| | | President and Chief Executive Officer of the Company | | |
| | | President and Chief Executive Officer of Evans Bank, N.A. | 2013 | No |

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| | | | | |
|-----------------------|----|--|------|-----|
| Nancy W. Ware | 55 | Director | 2014 | Yes |
| Thomas H. Waring, Jr. | 54 | Director | 2013 | Yes |
| Lee C. Wortham | 54 | Director | 2013 | Yes |
| Gary A. Kajtoch | 45 | Treasurer of the Company | | |
| | | Executive Vice President and Chief Financial | | |
| | | Officer of Evans Bank, N.A. | | |
| Cynthia M. Rich | 51 | Executive Vice President of Evans Bank, N.A. | | |

Executive Officer
* Independence has been determined by the Company's Board of Directors as defined in the listing rules of NYSE Amex.

Directors, Director Nominees and Executive Officer Information.

Set forth below are the biographies of (1) each of the nominees and continuing directors containing information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Board to determine that the person should serve as a director for the Company beginning in 2012, and (2) the executive officers of the Company.

Nominees for Director

Mr. Miller has been a director of the Company since 2001 and has served as the Secretary of the Company since April 2010. He has served as the President of The Evans Agency, LLC (TEA), an indirect wholly-owned subsidiary of the Company, since 2000 and as Executive Vice President of Evans Bank, N.A. (the Bank), since December 2009. He also has served as the President of Evans National Financial Services, LLC, a wholly-owned subsidiary of the Bank, since May 2002. Mr. Miller serves as President of TEA pursuant to an employment agreement with the Company and TEA. Mr. Miller's substantial experience in the financial services industry gives him a solid foundation from which to advise the Board with respect to financial service acquisition opportunities, and his experience overseeing a financial sales force provides him with a practical background on matters such as developing strategies to succeed in a highly competitive marketplace.

Mr. O'Brien has been a director of the Company since 2003 and has served as Vice Chairman of the Board since 2008. 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. Prior to his role with the Diocese of Buffalo, Mr. O'Brien was an audit partner at KPMG LLP, a national accounting and consulting firm. We believe his extensive high-level executive experience monitoring regulatory financial compliance and interacting with inside and outside public accountants and auditors routinely exposed him to financial analysis and oversight, preparing him for service as our Audit Committee Chair. We further believe that Mr. O'Brien's executive experience and his experience at a national accounting/consulting firm make him a valuable member of our Board and its Audit, Human Resource and Compensation, and Nominating Committees.

Mr. Rogers has been a director of the Company since July 1, 2011. He is a certified public accountant in New York State and the managing member of a real estate development company, Oakgrove Development, LLC, a position he has held since 2009. Mr. Rogers was the Executive Vice President and Chief Financial Officer of Great Lakes Bancorp, Inc., the parent company of Greater Buffalo Savings Bank, from 2006 to 2008. From 2004 to 2006, Mr. Rogers worked as an independent consultant, principally on Sarbanes-Oxley initiatives and business rationalization reviews. Mr. Rogers worked at KPMG LLP, a leading accounting firm, from 1984 to 2004, serving as an audit partner from 1995 to 2004. In his role as an auditor at KPMG LLP, Mr. Rogers worked on several engagements for financial institutions, particularly banks. His many years of experience have provided Mr. Rogers with a very strong knowledge base on the banking industry. His previous roles as an audit partner, SEC reviewing partner, and CFO also demonstrate his high level of competence in the areas of finance and accounting in general, and SEC reporting in particular, providing the Board an additional expert on these matters in an increasingly complex regulatory environment.

Directors Continuing in Office and Executive Officers

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. Biddle has extensive experience in the construction sector, an attribute that enables him to assist the Board in understanding the

opportunities and risks of a large component of our loan portfolio. In addition, his experience as a treasurer provides the Board with skills in assessing risk and exercising diligence, which are functions relevant to his service on the Audit Committee, as well as the Governance and Nominating Committees. We believe that Mr. Biddle's work in the construction industry, his continuing executive experience, and his proven financial acumen make him a very valuable member of our Board and its Audit, Governance and Nominating Committees.

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 was a member of the law firm of Harris Beach PLLC from February 2004 until January 2010 when he became Senior Counsel to the Firm. 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. Brothman's board experience, from his nine years as Chairman of the Company's Board and his three decades of experience as a member of the Company's Board of Directors, provides him with key skills in working with directors and understanding board processes and functions. These same skills make him well suited to the Governance and Nominating Committee functions of evaluating our corporate governance policies and identifying and evaluating individuals qualified to become board members. Further, we believe Mr. Brothman's professional interaction with multiple sectors of industry, including local municipalities and school districts, small and mid-sized businesses, and high net-worth individuals, provides our Board with insights into the local business climate.

Ms. Henderson has been a director of the Company since January 1, 2011. She is the Consultant to the President at the University at Buffalo, a university in the State University of New York system, and has held that position since 2011. From 2005 to 2011, Ms. Henderson served as the Vice President for External Affairs at the University at Buffalo. Ms. Henderson was the President of the Western New York District of KeyBank, N.A. from 1998 to 2005. From 1990 to 1998, Ms. Henderson held the position of Senior Vice President and Market Manager, Private Clients Group, of Fleet Boston. Ms. Henderson worked at M&T Bank from 1971 to 1990, with much of her time spent in commercial lending and operations, including as Vice President of the WNY Commercial Group from 1985 to 1990. Ms. Henderson's experience working in a leadership position in the Western New York banking industry and her highly visible role in one of Western New York's leading institutions in the University at Buffalo provide the Board with valuable banking and strategic expertise and community leadership.

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. Mr. Kirst's significant experience as an executive in a construction company provides the Board with in-depth knowledge of the real estate marketplace. We believe that his high-level executive experience qualifies him for service as a member of our Board of Directors and its Governance Committee.

Mr. Nasca has been a director of the Company since 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 the Bank since 2006, and Chief Executive Officer of the Company and the Bank since 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 of 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. As President and CEO, Mr. Nasca provides our Board with information gained from hands-on management of our operations, identifying our near-term and long-term challenges and opportunities. The Board has determined that Mr. Nasca's significant experience in the banking industry over the past 27 years, including operational, financial, and executive roles, as well as his unique perspective as leader of our management team, qualifies him for service as a member of our Board of Directors.

Ms. Ware has been a director of the Company since 2003. She has served as the President of EduKids, Inc. Early Childhood Centers since 1989. Ms. Ware is a well-known and respected leader in the Western New York business community. Her success as an entrepreneur in starting and growing her business is evidence of the business acumen she brings to our Board. As the CEO of her own business, she recognizes the skills and talents required for serving as a board member and regularly encounters the same issues and challenges that our Nominating and Governance Committees face on a regular basis.

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. He has also been the managing member of Family & Business Directions, LLC, a fee-based consulting business serving family-held and closely-held business owners, their families, and key executives, since 2010. Mr. Waring's financial services experience provides the Board with a deeper understanding of the products and services which the Company needs to provide in the marketplace to remain competitive, as well as the delivery of those products and services. Mr. Waring frequently advises high net worth individuals, family business owners and closely-held business owners. He is experienced in providing strategic planning and development advice, including designing and implementing executive and key employee benefits. We believe that Mr. Waring's qualifications to serve on our Board of Directors and Human Resource and Compensation Committee include his extensive sales and marketing experience with a financial services company, as well as his executive leadership and management experience.

Mr. Wortham has been a director of the Company since January 1, 2011. He has been a Partner in Barrantys LLC, a consultant and service provider to wealthy families and family offices, since 2007. Prior to his role with Barrantys, Mr. Wortham was an Executive Vice President of the Wealth Management Group of First Niagara Financial Group from 2005 to 2007. From 1999 to 2005, Mr. Wortham was the Executive Vice President of Global Private Client Services, Product Development, and Central Operations for The Bank of New York. Mr. Wortham held several positions at Chase Manhattan Bank and Chemical Bank (currently JP Morgan Chase & Co.) from 1985 to 1999, including Managing Director of the Global Private Bank, Entrepreneurs and Business Owners Segment. He started his career at M&T Bank in retail banking from 1980 to 1985. Mr. Wortham's extensive experience in the financial services industry makes him a valuable member of our Board, and its Audit and Human Resource and Compensation Committees. His expertise has been valuable in helping the Board evaluate the Company's strategies to diversify its product offerings and revenue stream as a growing and competitive financial institution.

Mr. Kajtoch has served as Treasurer of the Company and Chief Financial Officer of the Bank since 2007. He has also served as Executive Vice President of the Bank since 2009. Mr. Kajtoch served as Senior Vice President of the Bank from 2007 to 2009. Prior to joining the Company, Mr. Kajtoch served as a Vice President in the Finance Division of M&T Bank. His responsibilities at M&T Bank included serving as manager of Management Accounting from 2005 to 2007. Mr. Kajtoch serves as Treasurer of the Company and Chief Financial Officer and Executive Vice President of the Bank pursuant to an employment agreement with the Company and the Bank.

Ms. Rich has served as the Executive Vice President of the Bank since December 2009 and Chief Executive Officer of Evans National Leasing, Inc. (ENL) since April 2010. Prior to serving as Executive Vice President of the Bank, Ms. Rich served as Senior Vice President of the Bank from June 2007 to December 2009. Prior to joining the Company, Ms. Rich served as Vice President of Bank-Wide Infrastructure Initiative at M&T Bank from 2005 to 2006. She held the position of Vice President of Retail Operations and Service from 1999 to 2005. Ms. Rich serves as Executive Vice President of the Bank pursuant to an employment agreement with the Company and the Bank.

James Tilley, whose term expires at the Annual Meeting and who has served as a director of the Company since 2001, recently attained age 70. For this reason, under the Company's bylaws, Mr. Tilley is no longer eligible to be elected as a director, and the Nominating Committee of the Board of Directors did not recommend Mr. Tilley as a candidate for election at the Annual Meeting.

Independence of Directors

A majority of the Board of Directors, and each member of the Audit, Human Resource and Compensation, and Nominating Committees, are independent, as affirmatively determined by the Board, consistent with the criteria established by NYSE Amex and as required by our 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 principal shareholders, including those reported below under Transactions with Related Persons. The Board also examined transactions and relationships between directors or their affiliates and members of 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 Michael J. Rogers meet the Company's standard of independence, as do the following continuing directors: James E. Biddle, Jr., Phillip Brothman, Marsha S. Henderson, Kenneth C. Kirst, Nancy W. Ware, Thomas H. Waring, Jr. and Lee C. Wortham. David J. Nasca and Robert G. Miller, Jr. were determined not to be independent because they are currently executive officers of the Company.

Leadership Structure. Phillip Brothman has served as Chairman of the Company's Board of Directors since 2001. In his capacity as Chairman, Mr. Brothman chairs meetings of the Board and executive sessions of the Board, coordinates the activities of the other independent directors, and performs such other duties and responsibilities as the Board of Directors may determine. These duties also include chairing meetings of the Company's shareholders, overseeing the preparation of agendas for meetings of the Board, keeping directors informed through the timely distribution of information and reports, maintaining contact with the Company's CEO and outside counsel between meetings to stay current on developments and to determine when it may be appropriate to alert the Board to significant pending developments, serving as a liaison between independent directors and the CEO with respect to sensitive issues, and other matters.

We separated the positions of Chairman and CEO in 2001. While the separation of these positions is not required by our bylaws, we believe that it is the most appropriate leadership structure for us at this time. We believe that it is advantageous to separate the two positions in order to provide for independent director control over Board agenda and information flow, encourage open and lively communication between the independent directors and management, and to help balance the leadership of the Board.

Phillip Brothman has announced that he will not seek re-election as Chairman of the Board of the Company and the Bank after the Company's Annual Meeting of Shareholders on April 26, 2012. The Company expects that John R. O'Brien, Vice Chairman, will succeed Mr. Brothman as Chairman of the Board of the Company and of the Bank. Mr. Brothman will continue to serve as a director of the Company and the Bank.

Oversight of Risk Management. The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, credit, liquidity, legal and regulatory, and strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate risk owner within the organization to enable it to understand our risk identification, risk management and risk mitigation strategies. When a committee receives the report, the chairman of the relevant committee reports on the discussion to the full Board during the committee reports portion of the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. The Board's role in the Company's risk oversight process has not directly impacted its leadership structure.

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 2011 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, as set forth in our Audit Concerns and Communication Policy. This policy is available in the Governance Documents section of the Company's website (www.evansbancorp.com).

Code of Ethics for Chief Executive Officer and Principal Financial Officers. The Company has a Chief Executive Officer/Treasurer/Controller Code of Ethics, which is applicable to the Company's principal executive officer, principal financial officer, and principal accounting officer. The Chief Executive Officer/Treasurer/Controller 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 four standing committees: the Audit Committee, the Governance Committee, the Human Resource and Compensation Committee and the Nominating 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, are set forth below.

Audit Committee:

John R. O'Brien, Chairman
Lee C. Wortham

James E. Biddle, Jr.

Michael J. Rogers

The Audit Committee met six times during fiscal 2011. 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, James E. Biddle, Jr. and Michael J. Rogers 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 in accordance with applicable NYSE Amex listing requirements and Rule 10-A 3(b)(1) under the Exchange Act. 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
John R. O'Brien

Phillip Brothman
Lee C. Wortham

Marsha S. Henderson

The Human Resource and Compensation Committee met six times during fiscal 2011. The Human Resource and Compensation Committee is responsible for administering the Company's equity plans and awarding new grants thereunder, for administering the Evans Excels Plan and the Employee Stock Purchase Plan, for making such determinations and recommendations as the Human Resource and Compensation Committee deems

