

Bank of Marin Bancorp
Form DEF 14A
April 09, 2019
Table of Contents

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 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

Bank of Marin

(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

Edgar Filing: Bank of Marin Bancorp - Form DEF 14A

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee paid previously with preliminary materials.

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

- 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

Table of Contents

BANK OF MARIN BANCORP

Notice of Annual Meeting of Shareholders

Buck Institute for Research on Aging

8001 Redwood Boulevard

Novato, California

Tuesday, May 14, 2019 – 6:00 p.m.

To Our Shareholders:

Notice is hereby given of the Annual Meeting of Shareholders of Bank of Marin Bancorp. The meeting will be held at 6:00 p.m. on Tuesday, May 14, 2019 at the Buck Institute for Research on Aging, Novato, California. To enable our employee owners to attend the meeting, the branches will close at 5:00 p.m. on May 14. A reception at the Buck Institute for Research on Aging will immediately follow the Annual Meeting.

At the Annual Meeting you will be asked (1) to elect ten directors of Bank of Marin Bancorp to serve for the coming year and until their successors are duly elected and qualified, (2) to vote, on an advisory basis, to approve the Company's executive compensation for Named Executive Officers, (3) to ratify the selection of independent auditor, and (4) to act on such other business as may properly come before the meeting. You are urged to read the accompanying Proxy Statement carefully. It contains a detailed explanation of all matters on which you will be asked to vote.

Only shareholders of record as of the close of business on March 25, 2019 are entitled to receive notice of and to vote at this meeting.

It is very important that as many shares as possible be represented at the meeting. To assure your representation at the meeting, you are urged to mark, sign and date, and return the enclosed proxy card as promptly as possible in the postage-paid envelope enclosed for that purpose. If after signing and returning the proxy card you come to the meeting, you may vote in person if you withdraw your proxy. Additionally, you may vote by internet or by telephone. If you wish to vote by internet or by telephone you will need your Shareholder Control Number, which is circled in the gray shaded Title Bar on the right side of the enclosed proxy card, and the website address and/or toll-free telephone number, which are shown on the proxy card. No other personal information will be required in order to vote in this manner.

Edgar Filing: Bank of Marin Bancorp - Form DEF 14A

We encourage you to attend the Annual Meeting. Please RSVP by marking the appropriate box on the proxy card, by contacting the Company by May 7, 2019 by telephone at (415) 884-5348 or email to events@bankofmarin.com, or by registering at www.bankofmarin.com.

Our bylaws provide that nominations for election to the board of directors of the Company may be made by the board of directors or by any shareholder of the Company's stock entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the Company, must be made in writing and delivered or mailed to the Chairperson of the Board or the Chief Executive Officer not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors. The notification of nomination should contain the following information to the extent known by the notifying shareholder: (a) name and address of the proposed nominee(s); (b) principal occupation of the proposed nominee(s); (c) total number of shares that will be voted for the proposed nominee(s); (d) name and residence address of the notifying shareholder; and (e) number of shares owned by the notifying shareholder. Nominations not made in accordance with this section may be disregarded by the Chairperson of the meeting, and upon instruction, the inspector of election shall disregard all votes cast for each such nominee.

Table of Contents

One copy of the Annual Report on Form 10-K and Proxy Statement is being delivered to multiple shareholders sharing an address unless the Company has received contrary instructions from one or more of the shareholders. The Company will deliver promptly upon written or oral request a separate copy of the Annual Report and Proxy Statement to a shareholder at a shared address to which a single copy of the document was delivered. If a shareholder wishes to receive a separate copy or has received multiple copies at one address and would like to receive a single copy in the future, please contact Computershare by phone at (800) 368 5948 or by written request to Bank of Marin Bancorp c/o Computershare, P.O. Box 505000, Louisville, KY 40233-5000. Overnight correspondence should be mailed to Bank of Marin Bancorp c/o Computershare, 462 South 4th Street, Suite 1600, Louisville, KY 40202. The shareholder website address is <https://www.computershare.com/investor>. Shareholder online inquiries may be submitted to <https://www.us.computershare.com/investor>.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
MEETING OF SHAREHOLDERS TO BE HELD ON MAY 14, 2019

Copies of the Annual Meeting Proxy Material, including the Proxy Statement and the Annual Report on Form 10-K, are also available at: www.edocumentview.com/BMRC.

By order of the Board of Directors

Nancy Rinaldi Boatright

Secretary

April 9, 2019

Table of Contents

TABLE OF CONTENTS

<u>PURPOSE OF MEETING</u>	2
<u>GENERAL PROXY STATEMENT INFORMATION</u>	2
<u>REVOCABILITY OF PROXIES</u>	3
<u>PERSON MAKING THE SOLICITATION</u>	3
<u>VOTING RIGHTS</u>	3
<u>PROPOSAL NUMBER 1 ELECTION OF DIRECTORS</u>	4
BOARD OF DIRECTORS	4
DIRECTOR COMPENSATION	10
<u>CORPORATE GOVERNANCE</u>	11
<u>DIRECTOR INDEPENDENCE</u>	11
<u>BOARD MEETINGS AND COMMITTEES</u>	11
<u>INDEBTEDNESS AND OTHER TRANSACTIONS WITH DIRECTORS AND EXECUTIVE OFFICERS</u>	12
<u>BOARD LEADERSHIP STRUCTURE</u>	14
<u>BOARD'S ROLE IN RISK OVERSIGHT</u>	14
<u>EXECUTIVE COMPENSATION</u>	15
<u>EXECUTIVE OFFICERS</u>	15
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	16
<u>COMPENSATION COMMITTEE REPORT</u>	33
<u>SUMMARY COMPENSATION TABLE</u>	34
<u>CEO PAY RATIO</u>	35
<u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</u>	36
<u>SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN</u>	41
<u>NONQUALIFIED DEFERRED COMPENSATION FOR 2018</u>	42
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	42
<u>EMPLOYMENT CONTRACTS</u>	45
<u>EMPLOYEE STOCK OWNERSHIP PLAN AND 401(K) PLAN</u>	46
<u>INCENTIVE BONUS PLAN</u>	46
<u>SECURITY OWNERSHIP AND REPORTING</u>	47
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	47
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	48
<u>PROPOSAL NUMBER 2 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	49
<u>PROPOSAL NUMBER 3 INDEPENDENT AUDITOR</u>	51
<u>APPOINTMENT OF INDEPENDENT AUDITOR</u>	51
<u>FACTORS CONSIDERED IN SELECTION</u>	51
<u>INDEPENDENT AUDITOR FEES</u>	51
<u>PRE-APPROVAL OF INDEPENDENT AUDITOR FEES AND SERVICES</u>	52
<u>AUDIT COMMITTEE REPORT</u>	53
<u>OTHER MATTERS</u>	56
<u>SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS</u>	56
<u>SHAREHOLDER COMMUNICATIONS</u>	56
<u>FORM 10-K</u>	56

Table of Contents

PROXY STATEMENT

OF

BANK OF MARIN BANCORP

504 Redwood Boulevard, Suite 100

Novato, California 94947

These proxy materials are furnished in connection with the solicitation by the Board of Directors of Bank of Marin Bancorp (the “Company”), of proxies for use at the Annual Meeting of Shareholders of the Company to be held on Tuesday, May 14, 2019, at 6:00 p.m. at the Buck Institute for Research on Aging, 8001 Redwood Boulevard, Novato, California, and at any adjournment thereof. These proxy materials were first sent to shareholders on or about April 9, 2019.

PURPOSE OF MEETING

The matters to be considered and voted upon at the meeting will be:

- Proposal Number 1: The election of ten directors to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified.

- Proposal Number 2: An advisory vote to approve the Company’s executive compensation for Named Executive Officers.

- Proposal Number 3: The ratification of the selection of independent auditor.

- Transacting such other business as may properly come before the meeting and any adjournments thereof.

GENERAL PROXY STATEMENT INFORMATION

Bank of Marin Bancorp, a corporation existing and organized under the laws of the State of California, is authorized to issue up to 30,000,000 shares of common stock and 5,000,000 shares of preferred stock. All of the outstanding shares are voting common shares and are entitled to vote at the Annual Meeting. Only those common shareholders of record as of March 25, 2019 (the "Record Date") will be entitled to notice of, and to vote at, the meeting. On that date, 13,797,070 shares of common stock were outstanding. The determination of shareholders entitled to vote at the meeting and the number of votes to which they are entitled was made on the basis of the Company's records as of the Record Date. The presence in person or by proxy (including internet and telephone voting) of a majority of the outstanding shares of stock entitled to vote at the Annual Meeting will constitute a quorum for the purpose of transacting business at the meeting. Abstentions, shares as to which voting authority has been withheld from any nominee and "broker non-votes" (as defined below), will be counted for purposes of determining the presence or absence of a quorum.

A broker or nominee holding shares for beneficial owners may vote on certain matters at the meeting pursuant to discretionary authority or instructions from the beneficial owners, but with respect to other matters for which the broker or nominee may not have received instructions from the beneficial owners and may not have discretionary voting power under the applicable rule of the New York Stock Exchange or other self-regulatory organizations to which the broker or nominee is a member, the shares held by the broker or nominee may not be voted. Such un-voted shares are called "broker non-votes." The rules of the New York Stock Exchange and other self-regulatory organizations generally permit a broker or nominee, in the absence of instructions, to deliver a proxy to vote for routine items, such as the ratification of independent auditors. Consequently, shares held by a broker or nominee will

Table of Contents

constitute "broker non-votes" regarding non-routine items, such as the election of directors and the advisory vote on executive compensation. It is important that you provide voting instructions to your broker or nominee.

Revocability of Proxies

A proxy for use at the meeting is enclosed. Any shareholder who executes and delivers such proxy has the right to revoke it at any time before it is exercised by filing with the Corporate Secretary of the Company an instrument revoking it or by filing a duly executed proxy bearing a later date. In addition, the powers of the proxy holder will be revoked if the person executing the proxy is present at the meeting, revokes such proxy and elects to vote in person. Subject to such revocation, all shares represented by a properly executed proxy received in time for the meeting will be voted by the proxy holders in accordance with the instructions on the proxy.

IF NO INSTRUCTION IS SPECIFIED WITH REGARD TO A MATTER TO BE ACTED UPON, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS "FOR" THE ELECTION OF ALL NOMINEES FOR DIRECTOR LISTED HEREIN, "FOR" THE APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION AND "FOR" RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITOR.

Person Making the Solicitation

This solicitation of proxies is being made by the Board of Directors of the Company. The expense of preparing, assembling, printing, and mailing this proxy statement and the material used in the solicitation of proxies for the meeting will be borne by the Company. It is contemplated that proxies will be solicited principally through the use of the mail, but officers, directors, and employees of the Company and Bank of Marin may solicit proxies personally or by telephone, without receiving special compensation therefor. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses, and other custodians, nominees, and fiduciaries for their reasonable expense in forwarding these proxy materials to their principals.

Voting Rights

In connection with the election of directors, in accordance with California law, each shareholder entitled to vote may vote the shares owned by such shareholder as of the Record Date cumulatively if a shareholder present at the meeting has given notice at the meeting, prior to the voting, of his or her intention to vote cumulatively. If any shareholder has given such notice, then all shareholders entitled to vote for the election of directors may cumulate their votes for candidates properly nominated. Under cumulative voting, each share carries as many votes as the number of directors to be elected, and the shareholder may cast all of such votes for a single nominee or may distribute them in any manner among as many nominees as desired. In the election of directors, the ten nominees receiving the highest

number of votes will be elected.

On all other matters submitted to the vote of the shareholders, each shareholder is entitled to one vote for each share of common stock owned on the books of the Company as of the Record Date.

3

Table of Contents

PROPOSAL NUMBER 1: ELECTION OF DIRECTORS

Board of Directors

At the Annual Meeting ten (10) directors of the Company are to be elected to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified. All of the nominees are currently members of the Board of Directors. The Bylaws of the Company provide for not fewer than nine (9) or more than seventeen (17) directors. By resolution, the Board of Directors has fixed the number of directors at ten (10).

The persons named below are nominated by the Board of Directors and, unless the shareholder marks the proxy to withhold the vote, the enclosed proxy, if returned and not subsequently revoked, will be voted in favor of their election as directors. If for any reason any such nominee becomes unavailable for election, the proxy holders will vote for such substitute nominee as may be designated by the Board of Directors. The proxy holders reserve the right to cumulate votes for the election of directors and to cast all of such votes for any one or more of the nominees, to the exclusion of the others, and in such order of preference as the proxy holders may determine in their discretion if cumulative voting is involved as described above under "Voting Rights."

The following table sets forth the names of the persons nominated by the Board of Directors for election as directors and certain additional information as of March 25, 2019, including biographical information, qualifications, business experience and directorships with other public companies of each nominee covering at least the last five years.