

NORTHRIM BANCORP INC
Form DEF 14A
April 11, 2014

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

NORTHRIM BANCORP, INC.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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 - (3) Filing Party:
 - (4) Date Filed:

3111 C Street
Anchorage, AK 99503

April 11, 2014

Dear Shareholder:

I am pleased to invite you to attend the Northrim BanCorp, Inc. Annual Shareholders' Meeting where you will have the opportunity to hear about our 2013 operations and our plans for 2014. The meeting will be on Thursday, May 15, 2014, at 9 A.M. local time, at the Hilton Anchorage Hotel — 500 West Third Avenue in Anchorage, Alaska.

You will find additional information concerning Northrim and our operations in the enclosed 2013 Annual Report and Form 10-K, which includes our audited financial statements for the year ended December 31, 2013.

Your opinion and your vote are very important to us. Whether or not you plan to attend the Annual Meeting, please sign and return your proxy card, which is included with this document, as soon as possible. If you choose to attend the Annual Meeting, voting by proxy will not prevent you from voting in person; however, if you are unable to attend, voting by proxy will ensure that your vote is counted.

Thank you for your continued support of Northrim BanCorp, Inc. If you have any questions, please feel free to contact the Corporate Secretary, Joseph M Schierhorn, at (907) 562-0062.

Sincerely,

Marc Langland
Chairman, President and CEO

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

To Be Held on May 15, 2014

Notice is hereby given that Northrim BanCorp, Inc. (the "Company") will hold its 2014 Annual Shareholders' Meeting ("the Annual Meeting") at the Hilton Anchorage Hotel, 500 West Third Avenue, Anchorage, Alaska, at 9 A.M. local time, on Thursday, May 15, 2014 for the following purposes, as more fully described in the accompanying proxy statement:

- 1) To elect 13 directors nominated by the Board of Directors for a term ending at the 2015 Annual Shareholders' Meeting or such other date as their successors may be elected and qualified;
- 2) To approve the Northrim BanCorp, Inc. 2014 Stock Incentive Plan;
- 3) To approve, by non-binding vote, the compensation of named executive officers as disclosed in these materials;
- 4) To ratify the selection of Moss Adams LLP as the Company's independent registered public accounting firm for fiscal year 2014; and
- 5) To transact any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Shareholders owning Northrim BanCorp, Inc. shares at the close of business on April 7, 2014 are entitled to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of that meeting.

Your Board of Directors recommends that shareholders vote "FOR" the slate of nominees to the Board of Directors proposed by the Board, "FOR" the approval of the Company's 2014 Stock Incentive Plan, "FOR" the approval of the compensation of the named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement, and "FOR" the ratification of Moss Adams LLP as the Company's independent registered public accounting firm for the fiscal year 2014.

By order of the Board of Directors,

/s/ Joseph M. Schierhorn

Joseph M. Schierhorn
EVP, CFO, COO and Corporate Secretary

April 11, 2014

Whether or not you plan to attend the annual meeting, please complete, sign and date the enclosed form of proxy and mail it promptly in the enclosed return envelope, which requires no postage if mailed in the United States. Your vote is important to us. If you attend the Annual Meeting, you may vote your shares in person if you wish to do so even if you have previously sent in your proxy.

TABLE OF CONTENTS

<u>Solicitation, Voting, and Revocability of Proxies</u>	<u>1</u>
<u>Q & A about Voting and the Annual Shareholder's Meeting</u>	<u>1</u>
<u>Proposal 1: Election of Directors</u>	<u>4</u>
<u>Executive Officers</u>	<u>9</u>
<u>Compensation Discussion and Analysis</u>	<u>10</u>
<u>Executive Compensation</u>	<u>17</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>33</u>
<u>Interest of Management in Certain Transactions</u>	<u>33</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>35</u>
<u>Relationship with the Independent Registered Public Accounting Firm</u>	<u>37</u>
<u>Committee Reports</u>	<u>37</u>
<u>Proposal 2: Approval of 2014 Stock Incentive Plan</u>	<u>39</u>
<u>Proposal 3: Advisory Vote on Executive Compensation</u>	<u>44</u>
<u>Proposal 4: Ratification of the Independent Registered Public Accounting Firm</u>	<u>44</u>
<u>Information Concerning Shareholder Proposals</u>	<u>44</u>
<u>Householding</u>	<u>44</u>
<u>2013 Report to Shareholders and Annual Report on Form 10-K</u>	<u>45</u>
<u>Other Matters</u>	<u>45</u>
<u>Exhibit A: 2014 Stock Incentive Plan</u>	<u>46</u>

NORTHRIM BANCORP, INC.

3111 C Street

Anchorage, Alaska 99503

PROXY STATEMENT

The Board of Directors of the Company (the "Board") is soliciting proxies for this year's Annual Meeting. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully.

The Board set April 7, 2014, as the record date for the Annual Meeting. Shareholders who owned the Company's common stock on that date are entitled to vote at the Annual Meeting, with each share entitled to one vote. There were 6,827,864 shares of Company stock outstanding on the record date.

Voting materials, which include this proxy statement dated April 11, 2014, a proxy card, the 2013 Annual Report and the Company's Annual Report on Form 10-K, are first being mailed to shareholders on or about April 11, 2014, unless the shareholder has elected electronic delivery. If the shareholder has elected electronic delivery, we have provided a notice of internet availability of proxy materials which contains instructions on how to access proxy materials via the internet or how to request a printed set of proxy materials. Additionally, this proxy statement, the 2013 Annual Report and the Company's Annual Report on Form 10-K are available at www.northrim.com by clicking the "Investor Relations" tab. In accordance with Securities and Exchange Commission rules, our proxy materials posted on both our website and the website described below do not contain any cookies or other tracking features.

INTERNET AVAILABILITY OF PROXY MATERIALS

*****IMPORTANT NOTICE*****

Regarding the Availability of Proxy Materials for the Annual Shareholders' Meeting
To be Held on May 15, 2014

The Proxy Statement and Annual Report to Shareholders are available at
www.proxyvote.com

QUESTIONS AND ANSWERS ABOUT VOTING AND THE ANNUAL SHAREHOLDERS' MEETING

Why am I receiving this proxy statement and proxy card?

You are receiving this proxy statement and proxy card because you own shares of the Company's common stock. This proxy statement describes matters on which we would like you to vote.

When you sign the proxy card, you appoint the persons named in the proxy, R. Marc Langland and Joseph M. Beedle, as your representatives at the Annual Meeting, and those persons will vote your shares at the Annual Meeting as you have instructed on the proxy card. This way, your shares will be voted even if you cannot attend the Annual Meeting.

Who is soliciting my proxy, and who is paying the cost of solicitation?

The enclosed proxy is solicited by and on behalf of the Board, and the Company will bear the costs of solicitation. Certain directors, officers, and employees of the Company and/or its subsidiary, Northrim Bank (the "Bank"), may solicit proxies by telephone, facsimile, and personal contact.

The Company does not expect to pay any compensation to employees, officers, or directors for soliciting proxies, but will reimburse brokers, nominees, and similar record holders for reasonable expenses in mailing proxy materials to beneficial owners of the Company's common stock.

What am I voting on, and what vote is required for approval?

At the Annual Meeting, you will be asked to vote on:

- the election of 13 directors to serve on the Board until the 2015 Annual Shareholders' Meeting or until their successors have been elected and have qualified ("Proposal 1");
- the approval of the Northrim BanCorp, Inc. 2014 Stock Incentive Plan ("Proposal 2");
- a non-binding advisory vote on the compensation of the named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement ("Proposal 3");
- the ratification of Moss Adams LLP as the Company's independent registered accounting firm for 2014 ("Proposal 4").

All proposals will require the affirmative vote of a majority of the shareholders in person or represented by a duly executed proxy at the Annual Meeting.

Who is entitled to vote?

Only shareholders who owned the Company's common stock as of the close of business on the record date, April 7, 2014, are entitled to receive notice of the Annual Meeting and to vote the shares that they held on that date at the Annual Meeting, or any postponement or adjournment of the Annual Meeting.

How do I vote, and how are the votes counted?

You may vote your shares either in person at the Annual Meeting or by proxy. To vote by proxy, you should mark, date, sign, and mail the enclosed proxy card in the prepaid envelope provided. If your shares are registered in your own name and you attend the Annual Meeting, you may deliver your completed proxy card in person. "Street name" shareholders, that is, those shareholders whose shares are held in the name of and through a broker or other nominee, who wish to vote at the Annual Meeting will need to obtain a proxy from the institution that holds their shares. Your broker or nominee will generally provide you with the appropriate forms at the time you receive this proxy statement. If you own your shares through a broker or other nominee, you cannot vote in person at the Annual Meeting unless you receive a proxy card from the broker or nominee.

With regard to the election of directors, you may cast your vote in favor of some or all of the nominees, or you may withhold your vote as to some or all of the nominees. Each shareholder will be entitled to one vote for each share of common stock held of record by the shareholder on the record date, April 7, 2014. Directors will be elected if the number of votes cast in favor of the director exceeds the number of votes cast against the director. Accordingly, votes withheld generally will have no effect on the outcome of the election. You may also abstain from voting on any proposals other than the election of directors. An abstention will have no impact on the election of directors.

If shares are held in "street name," that is, through a broker or nominee, the broker or nominee is permitted to exercise voting discretion under certain circumstances. At this meeting, if the broker or nominee is not given specific voting instructions, the shares may not be voted on the election of directors by the broker or nominee in their own discretion. However, if your shares are held in street name and neither you nor your broker votes them, the votes will be "broker non-votes," which will have the effect of excluding your vote from the tallies. If your shares are held in your own name and you do not vote your shares, your shares will not be voted.

Under certain circumstances banks and brokers are prohibited from exercising discretionary authority for beneficial owners who have not provided voting instructions to the bank or broker, which are referred to as a "broker non-vote." In these cases, and in cases where the shareholder abstains from voting on a matter, those shares will be counted for the purpose of determining whether a quorum is present. We expect that banks and brokers will be allowed to exercise discretionary authority for beneficial owners who have not provided voting instructions with respect to Proposal 4 to ratify the Company's selected independent registered public accounting firm, but abstentions will have the effect of a vote "AGAINST" the proposal. If your shares are held in your own name and you do not vote, your shares will not be voted.

In voting for the Northrim BanCorp, Inc. 2014 Stock Incentive Plan, the affirmative vote of a majority of the shareholders present in person or shares represented by a duly executed proxy at the Annual Meeting is required for the approval of Proposal 2. Abstentions will have the effect of a vote "AGAINST" Proposal 2. Banks and brokers will

not be allowed to exercise discretionary authority for beneficial owners who have not provided voting instructions with respect to Proposal 2.

2

On each matter before the Annual Meeting, including the election of directors, shareholders are entitled to one vote for each share of common stock they held at the record date, April 7, 2014. Shareholders may not cumulate their votes for the election of directors.

What does it mean if I receive more than one proxy card?

It means that you hold shares in multiple accounts. Please complete and return all proxy cards to ensure that your shares are all voted in accordance with your instructions.

Can I change my vote after I return my proxy card?

Yes. If the enclosed proxy is duly executed and received in time for the Annual Meeting, the persons named in the proxy will vote the shares represented by the proxy "FOR" the 13 nominees listed in the proxy statement, "FOR" the approval of the 2014 Stock Incentive Plan, "FOR" the approval of the compensation of the named executive officers, and "FOR" the ratification of the Company's independent registered public accounting firm. If you grant a proxy, you may revoke it at any time before its exercise by written notice to the Company at 3111 C Street Suite 200, Anchorage, Alaska 99502 to the attention of Joseph M. Schierhorn, Corporate Secretary, by submitting a second proxy with a subsequent date, or by announcing your revocation to the secretary at the Annual Meeting prior to the taking of a shareholder vote. The shares represented by properly executed proxies that are not revoked will be voted in accordance with the specifications in such proxies.

Can I vote on other matters or submit a proposal to be considered at the Annual Meeting?

The Company has not received timely notice of any shareholder proposals to be considered at the Annual Meeting, and shareholders may submit matters for a vote only in accordance with the Company's bylaws. The Board does not presently know of any other matters to be brought before the Annual Meeting.

For shareholders seeking to include proposals in the proxy materials for the 2015 Annual Meeting, the proposing shareholder or shareholders must comply with all applicable regulations, including Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the proposals must be received by the Secretary of the Company on or before December 12, 2014. Upon receipt of such proposal, the Company will determine whether or not to include the proposal in its proxy materials for the 2015 Annual Meeting in accordance with applicable law. A shareholder that wishes to present a proposal at the 2015 Annual Meeting, but not submit such proposal for inclusion in our proxy statement for our 2015 Annual Meeting pursuant to Rule 14a-8 under the 1934 Act must submit such proposal to the Corporate Secretary on or before February 25, 2015. Shareholder proposals should be sent to Corporate Secretary, Northrim BanCorp, Inc., 3111 C Street Suite 200, Anchorage, Alaska 99503.

How many votes are needed to hold the Annual Meeting?

A majority of the Company's outstanding shares as of the record date (a quorum) must be present at the Annual Meeting in order to hold the Annual Meeting and conduct business. Shares are counted as present at the Annual Meeting if a shareholder is present and votes in person at the Annual Meeting or has properly submitted an executed proxy card. Broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting. As of the record date for the Annual Meeting, 6,827,864 shares of the Company's common stock were outstanding and eligible to vote.

Where and when will I be able to find the results of the voting?

The results of the voting will be announced at the Annual Meeting. Final results will be disclosed in the Company's Current Report on Form 8-K to be filed with the Securities and Exchange Commission within four business days of the Annual Meeting.

How do I communicate with Directors?

The Board provides a process for shareholders to send communications to the Board or any of the directors. Shareholders may send communications to the Board or any of the directors at: c/o Corporate Secretary, Northrim BanCorp, Inc., 3111 C Street Suite 200, Anchorage, Alaska 99503. All communications will be compiled by the Corporate Secretary of the Company and submitted to the Board or the individual directors on a periodic basis.

PROPOSAL 1: ELECTION OF DIRECTORS

General

How many directors are nominated?

The Company's Articles of Incorporation provide that the Board will consist of not less than five nor more than 25 directors. Currently, the Board consists of 13 directors, and the Board has set the number of directors to be elected at the Annual Meeting at 13. Directors are elected for a one-year term and serve until their successors have been elected and qualified.

Who are the nominees?

The Board has nominated the individuals listed on the following pages for election as directors for a one-year term expiring at the 2015 Annual Shareholders' Meeting or until their successors have been elected and qualified. If any nominee refuses or becomes unable to serve as a director before the Annual Meeting, the directors will select a replacement nominee, and your proxies will be voted for that replacement nominee. The Board presently has no knowledge that any nominee will refuse or be unable to serve.

It is the Company's policy to encourage director nominees up for election at the Annual Meeting to attend the Annual Meeting. All directors up for election at the 2013 Annual Shareholders' Meeting attended the 2013 Annual Shareholders' Meeting with the exception of one who could not be present due to an unavoidable conflict in his/her schedule and two others who were not directors in 2013.

INFORMATION ABOUT THE NOMINEES

The following table provides certain information about the nominees for director, including age, principal occupation(s), and public company directorships held during the past five years, and year first elected a director of the Company. All of the nominees are presently directors of the Bank and the Company including Ms. Thomas who was appointed to serve as director of both the Company and the Bank on April 1, 2014 in connection with our recent acquisition of Alaska Pacific Bancshares and Mr. Hanneman who was appointed to serve as a director of both the Company and the Bank on March 20, 2014. There are no family relationships among any of our current directors or executive officers. All of the nominees with the exception of Messrs. Langland and Beedle are deemed to be independent within the meaning of currently applicable rules of the Securities and Exchange Commission and the NASDAQ Global Select Market listing requirements.

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Name/Age	Occupation of Nominee During Past Five Years	Director Since
R. Marc Langland, 72	Co-founder and President of the Bank from 1990-1997; Chairman, President and CEO of the Bank from 1998-2001; Chairman, President, and CEO of the Company and the Bank from 2001-2009; Chairman, President and CEO of the Company and Chairman and CEO of the Bank from 2009-2011; Chairman, President and CEO of the Company and Chairman of the Bank since August 2011; Director, Alaska Air Group since 1991; Director, Usibelli Coal Mine, Inc. since 1983.	1990
Joseph M. Beedle, 62	Executive Vice President of the Company since 2006, President of the Bank from 2009-2011, and President and Chief Executive Officer of the Bank since 2011.	2013
Larry S. Cash, 62	President and CEO, RIM Architects, LLC (Alaska, California, Guam and Hawaii) since 1986.	1995
Mark G. Copeland, 71	Since June 1999, owner and sole member of Strategic Analysis LLC, a management consulting firm; Member, Copeland, Landye, Bennett and Wolf, LLP (law firm) for 30 years prior to that time.	1990
Ronald A. Davis, 81	CEO and Administrator, Tanana Valley Clinic until his retirement in 1998; Secretary/Treasurer, Canoe Alaska, 1996-1999; Vice President from 1999-2003, Acordia of Alaska Insurance (full service insurance agency) until retirement.	1997
Anthony Drabek, 66	President and CEO, Natives of Kodiak, Inc. (Alaska Native Corporation) from 1989 until retirement in 2010; Chairman and President, Koncor Forest Products Co. from 1986 – 2011.	1991
Karl L. Hanneman, 56	Since May 2010, General Manager of International Tower Hill Mines, Ltd., an advanced exploration stage mining company; Director of Corporate Affairs from 2008-2010 for Teck Resources, Ltd., a mining and mineral development company; Director, Alaska Resource Education since 1990; Director, Alaska Mining Hall of Fame since 1997; Director, Resource Development Council since 1998; Director, Fairbanks Chamber of Commerce since 2010; Director, Usibelli Coal Mine, Inc. since 2011.	2014
Richard L. Lowell, 73	President, Ribelin Lowell & Company (insurance brokerage firm) from 1985 until retirement in 2004.	1990
David J. McCambridge, 58	Audit Partner, KPMG LLP, from 1991 until retirement in 2010; Director, The Tanaka Foundation since 1985; Director, Alaska Kidney Foundation since 1999.	2011
Irene Sparks Rowan, 72	Director from 1988-2000 and from 2009-2010, Klukwan, Inc. (Alaska Native Corporation) and its subsidiaries until retirement; Director, Alaska Moving Image Preservation Association since 2011.	1991
John C. Swalling, 64	President and Director, Swalling & Associates PC (accounting firm) since 1991; Director, Swalling Construction Co., Inc. since 1975.	2002
Linda C. Thomas, 60	Since 1994, Vice President, Chief Operations Officer of the Alaskan Brewing Company; Director, Juneau Chamber of Commerce since 2002-2008 and 2013-current; Director, Alaska Pacific Bancshares, Inc. 2010-2014; Director, Bartlett Regional Hospital since 2007.	2014
David G. Wight , 73	President, BP Amoco Energy Co. Trinidad and Tobago from 1992-2000; President and CEO Alyeska Pipeline Service Company from 2000 until retirement in 2005; Director, Storm Cat Energy (Denver based company) from 2006-2011.	2006

Director Qualifications and Experience The following table identifies the experience, qualifications, attributes and skills that the Board considered in making its decision to appoint and nominate directors to our Board. This information supplements the biographical information provided above.

5

	Professional standing in chosen field	Expertise in financial services or related industry	Community involvement	Other Board experience	Other public company experience	Specific skills/knowledge:		
						Accounting	Legal	Business management
R. Marc Langland	x	x	x	x	x	x		x
Joseph M. Beedle	x	x	x	x		x		x
Larry S. Cash	x		x	x				x
Mark G. Copeland	x		x	x	x		x	x
Ronald A. Davis	x		x	x				x
Anthony Drabek	x		x	x				x
Karl L. Hanneman	x		x	x	x			x
Richard L. Lowell	x		x	x		x		x
David J. McCambridge	x	x	x	x	x	x		x
Irene Sparks Rowan	x		x	x				x
John C. Swalling	x		x	x		x		x
Linda C. Thomas	x							