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GLACIER BANCORP INC  
Form DEF 14A  
March 27, 2009

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OMB APPROVAL  
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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  [X]

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))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

GLACIER 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):

[X] Fee not required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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GLACIER BANCORP, INC.  
49 COMMONS LOOP  
KALISPELL, MONTANA 59901

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 29, 2009  
9:00 A.M. MOUNTAIN TIME

To the Shareholders of Glacier Bancorp, Inc:

We cordially invite you to attend the 2009 Annual Shareholders Meeting of Glacier Bancorp, Inc., at The Hilton Garden Inn, 1840 Highway 93 South, Kalispell, Montana. The meeting's purpose is to vote on the following proposal, together with any other business that may properly come before the meeting:

1. ELECTION OF DIRECTORS. To elect 10 directors to serve on the Board of Directors until the 2010 Annual Meeting of Shareholders.
2. OTHER BUSINESS. To act on such other matters as may properly come before the meeting or any adjournments or postponements.

If you were a shareholder of record on March 2, 2009, you may vote on the proposals presented at the Annual Meeting in person or by proxy. We encourage

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you to promptly complete and return the enclosed proxy card, in order to ensure that your shares will be represented and voted at the meeting in accordance with your instructions. If you attend the meeting in person, you may withdraw your proxy and vote your shares.

Further information regarding voting rights and the business to be transacted at the Annual Meeting is included in the accompanying Proxy Statement. The directors, officers, and employees who serve you genuinely appreciate your continued interest and support as a shareholder in the affairs of the Company and in its growth and development.

March 27, 2009

BY ORDER OF THE BOARD OF DIRECTORS

/s/ LeeAnn Wardinsky

-----  
LeeAnn Wardinsky, Secretary

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the Annual Meeting, please sign and date your Proxy Card and return it in the enclosed postage prepaid envelope. You do not need to retain the proxy in order to be admitted to the Annual Meeting. If you attend the Annual Meeting, you may vote either in person or by proxy. You may revoke any proxy that you have given either in writing or in person at any time prior to the proxy's exercise.

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(406) 756-4200

## PROXY STATEMENT

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2009 SHAREHOLDER MEETING:

A COPY OF THIS PROXY STATEMENT AND THE ANNUAL REPORT TO SHAREHOLDERS FOR THE YEAR ENDED DECEMBER 31, 2008, ARE AVAILABLE AT WWW.GLACIERBANCORP.COM.

## INFORMATION ABOUT THE MEETING

MEETING INFORMATION. This Proxy Statement and the accompanying Proxy are being sent to shareholders on or about March 27, 2009, for use in connection with the Annual Meeting of Shareholders of Glacier Bancorp, Inc., (the "Company" or "Glacier") to be held on Wednesday, April 29, 2009. In this Proxy Statement, the terms "we," "us" and "our" refer to Glacier Bancorp, Inc.

SOLICITATION OF PROXIES. Our Board of Directors is soliciting shareholder proxies, and we will pay the associated costs. Solicitation may be made by our directors and officers and by our banking subsidiaries:

- Glacier Bank
- Mountain West Bank
- First Security Bank of Missoula
- Western Security Bank
- 1st Bank
- Big Sky Western Bank
- Valley Bank of Helena
- Citizens Community Bank
- First Bank of Montana
- Bank of the San Juans

We do not expect to engage an outside proxy solicitation firm to render proxy solicitation services. However, if we do, we will pay a fee for such services. Solicitation may be made through the mail, or by telephone, facsimile, or personal interview.

RECORD DATE. If you were a shareholder on March 2, 2009, you are entitled to vote at the Annual Meeting. There were approximately 61,498,694 shares of common stock outstanding on the Record Date.

QUORUM. The quorum requirement for holding the Annual Meeting and transacting business is a majority of the outstanding shares entitled to be voted. The shares may be present in person or represented by proxy at the Annual Meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

## VOTING ON MATTER PRESENTED

Proposal No. 1 -Election of Directors.

The ten director nominees who receive the highest number of affirmative votes

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will be elected. Shareholders are not permitted to cumulate their votes for the election of directors. Votes may be cast FOR or WITHHELD from each nominee. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

VOTING OF PROXIES. Shares represented by properly executed proxies that are received in time and not revoked will be voted in accordance with the instructions indicated on the proxies. If no instructions are

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indicated, the persons named in the proxy will vote the shares represented by the proxy FOR the director nominees listed in this Proxy Statement. Any proxy given by a shareholder may be revoked before its exercise by:

- giving notice to us in writing;
- delivering to us a subsequently dated proxy; or
- notifying us at the Annual Meeting before the shareholder vote is taken.

VOTING OF PROXIES BY SHAREHOLDERS OF RECORD AND BY BENEFICIAL OWNERS. A significant percentage of Glacier shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Shareholders of Record. If your shares are registered directly in your name with Glacier's transfer agent, American Stock Transfer, you are considered, with respect to those shares, the shareholder of record, and these proxy materials are being sent to you directly by Glacier. As the shareholder of record, you have the right to grant your voting proxy directly to Glacier or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

Beneficial Owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker on how to vote. Your broker or nominee has enclosed a voting instruction card for you to use in directing your broker or nominee as to how to vote your shares. If you are a beneficial owner of Glacier shares and do not provide the shareholder of record with voting instructions, your beneficially owned shares may constitute broker non-votes.

Brokers cannot vote on behalf of beneficial owners on "non-routine" proposals. A "broker non-vote" occurs when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (1) the proposal is not routine and the broker therefore lacks discretionary authority to vote the shares, and (2) the beneficial owner does not submit voting instructions to the broker. The election of directors is considered a "routine" proposal, and your brokerage firm can vote your shares at its discretion on this proposal.

### VOTING IN PERSON AT THE ANNUAL MEETING

Shareholders of Record. Shares held directly in your name as the shareholder of record may be voted in person at the Annual Meeting. If you

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choose to vote your shares in person at the Annual Meeting, please bring the enclosed proxy card or proof of identification. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Beneficial Owner. Shares held in street name may be voted in person by you only if you bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on the record date.

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### BUSINESS OF THE MEETING

#### PROPOSAL NO. 1 -- ELECTION OF DIRECTORS

##### GENERAL

At Glacier's 2008 Annual Shareholders Meeting, our shareholders approved a proposal to amend our Articles of Incorporation, eliminating the "staggered" terms of office of our directors. Accordingly, the terms of office of all of our directors will end on the date of the 2009 Annual Shareholders Meeting, and all ten of our directors will be subject to annual election for a one-year term commencing with the 2009 Annual Shareholders Meeting.

##### VOTE REQUIRED AND BOARD RECOMMENDATION

The ten director nominees who receive the highest number of affirmative votes will be elected for a one-year term.

The Board of Directors unanimously recommends a vote "FOR" each of the nominees to the Board.

##### INFORMATION WITH RESPECT TO NOMINEES

Information regarding each of the nominees is provided below, including each nominee's name, age as of January 11, 2009, principal occupation during the past five years, and the year first elected or appointed as a director of Glacier. All of the nominees are presently directors of Glacier. Information regarding the amount and nature of each nominee's ownership of Glacier common stock is provided under the caption "Security Ownership of Certain Beneficial Ownership and Management."

Michael J. Blodnick, 56, was appointed President and Chief Executive Officer of Glacier in July 1998. Prior to that time, he served as the Executive Vice President and Secretary of the Company since 1994 and 1993, respectively. Mr. Blodnick currently serves as a director of the following Company subsidiaries: 1st Bank, Citizens Community Bank and Bank of the San Juans. Mr. Blodnick has been employed by the Company or Glacier Bank since 1978.

James M. English, 64, was appointed to the Glacier Board in February 2004. Mr. English is an attorney in limited private practice as a sole practitioner of the English Law Firm in Hayden, Idaho. Prior to forming his law firm, Mr. English served from 1996 - 2000 as the President and Chief Operating Officer for Idaho Forest Industries, Inc., a lumber manufacturing company where Mr. English was involved in the real estate development and retail sales of building products. Mr. English earned his law degree and business degree in finance at the University of Idaho. Mr. English has served as a director of Mountain West Bank since 1996. Mr. English is also a director of Bennett Industries, Inc., a

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family-owned company that owns several timber-related entities, including Bennett Forest Industries, Inc., a lumber manufacturer, and Rosebud Horse Bedding, LLC, a manufacturer of horse bedding.

Allen J. Fetscher, 63, was appointed to the Glacier Board in December 1996, and he serves as the Chairman of the Company's Compensation Committee. Mr. Fetscher also serves as the Vice Chairman of First Security Bank. Mr. Fetscher is the President of Fetscher's, Inc., an investment and real estate development company. He is also the Vice President of American Public Land Exchange Co., Inc. and the owner of Associated Agency, a company involved in real estate.

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Dallas I. Herron, 64, was appointed to the Glacier Board in June 2008. Mr. Herron had previously served as a director of Glacier's subsidiary, Glacier Bank of Kalispell, since 1998. Mr. Herron has worked in the oil industry for 38 years and is the CEO of CityServiceValcon, LLC, which markets petroleum products in Montana, Idaho, Washington and ten other states. He currently serves as president of the Western Petroleum Marketing Association, a seven-state trade association. He serves on Chevron's Western U.S. Advisory Council. He has also served as Senior Director of the Petroleum Marketer Association of America. Mr. Herron is also active in the forest product and transportation industries.

Jon W. Hippler, 64, has been the CEO of Mountain West Bank since its formation in 1993. Mr. Hippler became a director of Glacier in February 2000 in connection with the Company's acquisition of Mountain West Bank.

Craig A. Langel, 58, was appointed to the Glacier Board in December 2005. Mr. Langel has served the accounting profession for 35 years and is a Certified Public Accountant Accredited in Business Valuation and a Certified Valuation Analyst. He is president and shareholder of Langel & Associates, P.C., a consulting and tax services firm. Through the auspices of Western CPE, Mr. Langel also teaches continuing education courses for Certified Public Accountants, including annual tax updates, tax planning, valuation issues, and business advisory services. In addition, Mr. Langel is the owner and CEO of CLC Restaurants, Inc., which owns and operates Taco Bell and KFC restaurants in Montana, Idaho, and Washington, and part owner of Mustard Seed Restaurants. Until his retirement in December 2005, Mr. Langel served for 21 years as a director of Glacier's subsidiary, First Security Bank. Mr. Langel was re-elected to the First Security Bank board on February 19, 2009.

L. Peter Larson, 70, has served as a director of Glacier and/or Glacier Bank since 1985. He has been the CEO of American Timber Company, a small timber harvesting and sawmill business, since 1978. Mr. Larson is the Chairman of the Company's Nominating/Corporate Governance Committee. He also serves on the Northwest Healthcare Board of Trustees and the HealthCenter Northwest Board of Managers.

Douglas J. McBride, 56, was appointed to the Glacier Board in September 2006. Dr. McBride has been an optometrist in Billings for 30 years. He is the current President of the Montana State Board of Examiners for Optometry, of which he has been a member since 1993, and is also the Chairman of the Advisory Board for TLC Laser Eye Center in Billings. Dr. McBride also serves as a director of the Company's subsidiary, Western Security Bank.

John W. Murdoch, 66, was appointed to the Glacier Board in September 2005. Mr. Murdoch has worked in the ranch and home industry for the past 38 years and since 1994 has been an owner of Murdoch's Ranch & Home Supply, LLC, a ranch and home retail operation. Mr. Murdoch currently serves as a director of the

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Company's subsidiary, Big Sky Western Bank of Bozeman, as well as of the Montana State University College of Business, Montana State University Foundation and Bozeman Deaconess Hospital. Mr. Murdoch is also President of Mid-States Distributing Co., Inc.

Everit A. Sliter, 70, has served as a director of the Company and/or Glacier Bank since 1973, and was appointed Chairman of Glacier in December 2005. Mr. Sliter is the Chairman of the Company's Audit Committee and is also the Chairman of Glacier Bank. Mr. Sliter was a partner of Jordahl & Sliter, a certified public accounting firm, from 1965 to August 2003. Since August 2003, Mr. Sliter has been an employee of Jordahl & Sliter.

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### CORPORATE GOVERNANCE

#### CORPORATE GOVERNANCE GUIDELINES

The Board of Directors is committed to good business practices, transparency in financial reporting and the highest level of corporate governance. Glacier operates within a comprehensive plan of corporate governance for the purpose of defining responsibilities, setting high standards of professional and personal conduct and assuring compliance with such responsibilities and standards. Glacier regularly monitors developments in the area of corporate governance. The Board periodically reviews Glacier's governance policies and practices against those suggested by various groups or authorities active in corporate governance and practices of other companies, as well as the requirements of the Sarbanes Oxley Act of 2002 ("Sarbanes Act"), related SEC rules and the listing standards of Nasdaq.

#### CODE OF ETHICS

Glacier adopted a Code of Ethics for Senior Financial Officers, which applies to its principal executive officer, principal financial officer, principal accounting officer or controller, and any persons performing similar functions.

You can access Glacier's current Code of Ethics for Senior Financial Officers, its Audit, Compensation and Nominating/Corporate Governance Committee charters and its Corporate Governance Policy by visiting the Company's Website and clicking on the Corporate Governance link on the Company's home page ([www.glacierbancorp.com](http://www.glacierbancorp.com)), or by writing to: LeeAnn Wardinsky, Corporate Secretary, 49 Commons Loop, Kalispell, Montana, 59901.

#### DIRECTOR INDEPENDENCE

The Board has analyzed the independence of each director in accordance with the Nasdaq rules and has determined that the following members of the Board meet the applicable laws and listing standards regarding "independence" required by Nasdaq, and that each such director is free of relationships that would interfere with the individual exercise of independent judgment. In determining the independence of each director, the Board considered many factors, including any lending with the directors, each of which were made on the same terms as comparable transactions made with other persons. Such arrangements are discussed in detail under "Transactions with Management."

Based on these standards, the Board determined that each of the following non-employee directors is independent and has no relationship with the Company, except as a director and shareholder:



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James M. English  
Allen J. Fetscher  
Dallas I. Herron  
Craig A. Langel  
L. Peter Larson  
Douglas J. McBride  
John W. Murdoch  
Everit A. Sliter

Based on the standards described above, the Board determined that neither Michael J. Blodnick nor Jon W. Hippler are independent because each serves as an executive officer of Glacier or one of its bank subsidiaries.

### STOCK OWNERSHIP GUIDELINES

The Board of Directors has approved stock ownership guidelines for its members, which are intended to help closely align the financial interests of directors with those of Glacier's shareholders.

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Within two years after they are first appointed or elected to the Board, directors are required to own shares of Glacier common stock with a market value of at least \$100,000. All of the current Glacier directors have exceeded this ownership requirement.

### SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Company and the Board welcome communication from shareholders and other interested parties. Communications may be made by writing to the Chairman of the Board, c/o the Corporate Secretary, Glacier Bancorp, Inc., 49 Commons Loop, Kalispell, Montana 59901. A copy of any such written communication will also be sent to our CEO. If the Chairman and the CEO determine that such communication is relevant to and consistent with Glacier's operations and policies, such communication will be forwarded to the entire Board for review and consideration.

### MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

The Board met 16 times during the fiscal year. Each director attended at least 75% of the meetings of the Board and of the committees on which he served. Glacier encourages, but does not require the directors to attend Annual Shareholder Meetings. Last year, all of our directors attended the Annual Shareholder Meeting. The Board has established, among others, an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee.

The following table shows the membership of the various committees.

### COMMITTEE MEMBERSHIP

NAME	AUDIT	COMPENSATION	NOMINATING
James M. English	[X]	[X]	[X]
Allen J. Fetscher	[ ]	[X]*	[X]

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Dallas I. Herron	[X]	[X]	[X]
Craig A. Langel	[X]	[X]	[X]
L. Peter Larson	[X]	[X]	[X]*
Douglas J. McBride	[X]	[X]	[X]
John W. Murdoch	[X]	[X]	[X]
Everit A. Sliter	[X]*	[X]	[X]

\* Committee Chair

Audit Committee. The Audit Committee is comprised of seven directors, each of whom are considered "independent" as defined by Nasdaq listing standards. The Board has determined that both Mr. Langel and Mr. Sliter meet the definition of "audit committee financial expert" as defined by rules adopted by the Securities and Exchange Commission under the Sarbanes Act.

The Audit Committee operates under a formal written charter adopted by the Board. As part of its periodic review of audit committee-related matters, the Audit Committee has received updates on the relevant requirements of the Sarbanes Act, the rules of the SEC and the corporate governance listing standards of Nasdaq.

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The Audit Committee is responsible for the oversight of the quality and integrity of Glacier's financial statements, its compliance with legal and regulatory requirements, the qualifications and independence of its independent auditors, the performance of its internal audit function and independent auditors and other significant financial matters. In discharging its duties, the Audit Committee is expected to, among other things:

- have the sole authority to appoint, retain, compensate, oversee, evaluate and replace the independent auditors;
- review and approve the engagement of Glacier's independent auditors to perform audit and non-audit services and related fees;
- meet independently with Glacier's internal auditing department, independent auditors and senior management;
- review the integrity of Glacier's financial reporting process;
- review Glacier's financial reports and disclosures submitted to Bank regulatory authorities;
- maintain procedures for the receipt, retention and treatment of complaints regarding financial matters; and
- review and approve related person transactions.

The Audit Committee held 15 meetings during 2008.

Compensation Committee. The Compensation Committee is comprised of eight directors, each of whom are considered "independent" as defined by Nasdaq listing standards. The Compensation Committee reviews the performance of the Company's Chief Executive Officer and other key employees and determines, approves and reports to the Board on the elements of their compensation and long-term equity based incentives. In determining the CEO's compensation, the Compensation Committee evaluates several performance factors, including the Company's financial results, levels of compensation of peer financial

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institutions and the report of our compensation consultants, Watson-Wyatt. In 2005, the Compensation Committee independently retained Watson Wyatt to assist the Committee in its deliberations regarding executive compensation. The mandate of the consultant was to work for the Compensation Committee in its review of executive compensation practices, including designing our long-term incentive program. Although the Compensation Committee has not subsequently retained Watson Wyatt to review the performance of the Company's Chief Executive Officer and other key employees, it continues to consider the suggestions made and has incorporated those suggestions into its compensation analysis in subsequent years. A complete description of the executive compensation process is described in the "Compensation Discussion and Analysis."

In addition, the Compensation Committee:

- recommends, if appropriate, new employee benefit plans to the Board of Directors;
- reviews all employee benefit plans;
- makes determinations in connection with compensation matters as may be necessary or advisable; and
- recommends, if appropriate, revisions to the compensation and benefit arrangements for directors.

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The Compensation Committee operates under a formal written charter. The Compensation Committee met three times during the year for the purposes of reviewing salary and incentive compensation for the Chief Executive Officer and certain other executive officers, and reviewing and recommending to the full Board the grant of stock awards for executive officers.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee ("Nominating Committee") is comprised of eight directors, each of whom are considered "independent" as defined by Nasdaq listing standards. The Nominating Committee is responsible for nominating a slate of directors for election at Glacier's annual meeting and appointing directors to fill vacancies as they occur. It is also responsible for (i) considering management succession plans, the appropriate Board size and committee structure and appointments; and (ii) developing and reviewing corporate governance principles applicable to Glacier and its subsidiaries. The Nominating Committee operates under a formal written charter approved by the Board. The Nominating Committee met nine times during 2008.

The Nominating Committee will consider nominees recommended by shareholders, if the recommendations are made in accordance with the procedures described in this Proxy Statement under "Shareholder Proposals and Director Nominations."

The Nominating Committee evaluates all candidates, including shareholder-proposed candidates, using generally the same methods and criteria, although those methods and criteria are not standardized and may vary from time to time. The Nominating Committee is authorized to establish guidelines for the qualification, evaluation and selection of new directors to serve on the Board. We do not anticipate that the Nominating Committee will adopt specific minimum qualifications for Committee-recommended nominees. The Nominating Committee will instead evaluate each nominee on a case-by-case basis, including assessment of each nominee's business experience, involvement in the communities served by the

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Company, and special skills. The Nominating Committee will also evaluate whether a nominee's skills are complimentary to existing Board members' skills, the Board's need for operational, management, financial, technological or other expertise, as well as geographical representation in Glacier's market areas.

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### REPORT OF AUDIT COMMITTEE

The Audit Committee of the Board of Directors makes the following report, which notwithstanding anything to the contrary set forth in any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, will not be incorporated by reference into any such filings and will not otherwise be deemed to be proxy soliciting materials or to be filed under such Acts.

The Board has determined that the current membership of the Audit Committee meets the independence requirements as defined under the Nasdaq listing standards, and that Everit A. Sliter and Craig A. Langel each meet the "audit committee financial expert" qualifications, as required by the Sarbanes Act and Nasdaq listing standards.

Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The Audit Committee is responsible for overseeing Glacier's financial reporting processes on behalf of the Board.

The Audit Committee has met and held discussions with management and Glacier's independent auditors. Management represented to the Audit Committee that Glacier's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

Our independent auditors also provided to the Audit Committee the written disclosures and letter required by applicable requirements of the Public Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence, and the Audit Committee discussed with the independent auditors that firm's independence.

Based on the Audit Committee's review of the audited consolidated financial statements and the various discussions with management and the independent auditors noted above, the Audit Committee recommended that the Board include the audited consolidated financial statements in Glacier's Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC.

### AUDIT COMMITTEE MEMBERS

Everit A. Sliter (Chairperson) - James M. English - Dallas I. Herron  
Craig A. Langel - L. Peter Larson - Douglas J. McBride - John W. Murdoch

### COMPENSATION OF DIRECTORS

Our directors receive compensation in the form of cash and, as applicable, awards in the form of restricted stock or stock options. Glacier does not pay directors who are also employees of the Company additional compensation for their service as directors.

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The following table shows compensation paid or accrued for the last fiscal year to Glacier's non-employee directors. Neither Mr. Blodnick nor Mr. Hippler are included in the table as they are employees of Glacier or a subsidiary and thus receive no compensation for their services as a director. The footnotes to the table describe the details of each form of compensation paid to directors.

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2008 DIRECTOR COMPENSATION TABLE

Name (a)	Fees Earned or Paid in Cash (\$) (b) (1)	Option Awards (\$) (c) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (d) (3)	Total (\$) (e)
James M. English	\$39,600	\$6,679	\$ 436	\$46,715
Allen J. Fetscher	46,350	6,679	---	53,029
Dallas I. Herron	17,700	6,679	281	24,660
Craig A. Langel	24,000	6,679	---	30,679
L. Peter Larson	27,309	6,679	3,039	30,027
Douglas J. McBride	35,400	6,679	401	42,480
John W. Murdoch	31,800	6,679	326	38,805
Everit A. Sliter	56,409	6,679	1,384	64,472

(1) Directors are paid an annual retainer of \$24,000 and receive additional compensation for services performed as committee members. Messrs. English, Fetscher, McBride, Murdoch and Sliter also receive compensation as directors of Glacier's subsidiary banks. Amount includes Board and committee fees earned or deferred in 2008.

(2) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008 in accordance with FAS 123(R), and includes amounts awarded in 2008. Assumptions used to calculate this amount are included in the footnotes to Glacier's audited financial statements for the fiscal year ended 2008, included in the Company's accompanying Annual Report. The options expire five years from the date of grant and vest six months from the date of grant.

At fiscal year end, the non-employee directors had in the aggregate outstanding stock option awards to purchase shares of the Company as follows: Mr. English 11,847 shares; Mr. Fetscher 15,363 shares; Mr. Herron 4,065 shares; Mr. Langel 10,606 shares; Mr. Larson 13,547 shares; Dr. McBride 6,250 shares; Mr. Murdoch 9,525 shares; and Mr. Sliter 15,363 shares.

(3) Represents amounts above-market earnings on non-qualified compensation during 2008. Earnings are credited at one-half of the Company's current year return-on-equity, or 5.75% rate in 2008.

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### CASH COMPENSATION

Non-employee directors of Glacier are paid an annual retainer of \$24,000 as compensation for their services as director. Chairs of the Audit, Compensation and Nominating/Corporate Governance Committees receive an additional retainer of \$1,200, and the Chairman of Board receives an additional retainer of \$5,400. Non-employee directors may elect to defer the receipt of meeting and/or director fees in accordance with the terms of Glacier's Deferred Compensation Plan, the material terms of which are described under the section "Executive Compensation -- Deferred Compensation Plan."

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### EQUITY COMPENSATION

Directors' Stock Option Plan. Glacier previously maintained a Directors' Stock Option Plan ("Director Plan") for outside directors. Under the Director Plan, a set number of shares of common stock were reserved for issuance upon the exercise of nonqualified stock options granted to non-employee directors of the Company and each of the Company's subsidiary banks. Nonqualified options allow a director to purchase shares of common stock at a price equal to the fair market value (closing price) of the common stock on the date of grant. Each option granted under the Director Plan vests six months following the date of grant and expires upon the earlier of five years following the date of grant or three years following the date the optionee ceases to be a director, except in the event of death, in which case the period is one year from the date of death.

The Director Plan expired in March 2009. Although no new options may be issued under the Director Plan, the Director Plan has granted but unexercised options, including options granted in calendar year 2008, outstanding. Glacier's 2005 Stock Incentive Plan provides for the grant of equity awards to directors. Accordingly, Glacier determined not to renew the Director Plan when it expired, and will make subsequent grants to directors under the 2005 Stock Incentive Plan.

### 2009 DIRECTOR COMPENSATION

In 2008 the Compensation Committee recommended and the Board approved an increase in directors' fees based upon recommendations made by Watson Wyatt in 2008. The new fee schedule provided for an increase in the annual retainer (to \$28,000), equity awards (to \$17,000) and committee chairpersons' fees (to \$3,000 for committee chairs and \$7,000 for the Board chair). The fee increase was to become effective on January 1, 2009. Because of changes since early 2008 in the banking environment, the Board has indefinitely suspended the increase in directors' fees. The annual retainer has been increased, however, by 3% in accordance with Company-wide compensation adjustments.

### EXECUTIVE COMPENSATION

The following section describes the compensation that Glacier pays its Chief Executive Officer, Chief Financial Officer, and each other executive officer who in 2008 earned total compensation exceeding \$100,000 (the "Named Executive Officers"), consisting of the following persons:

- Michael J. Blodnick, Chief Executive Officer
- Don J. Chery, Executive Vice President and Chief Administrative Officer

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- Ron J. Copher, Senior Vice President and Chief Financial Officer
- Jon W. Hippler, Chief Executive Officer of Mountain West Bank and a Glacier Director

This section includes:

- the Compensation Discussion and Analysis ("CD&A") of management regarding executive compensation;
- the Summary Compensation Table (on page 19) and other tables detailing the compensation of the Named Executive Officers; and
- narrative disclosure about various compensation plans and arrangements and post-employment and termination benefits payable to the Named Executive Officers.

### COMPENSATION DISCUSSION AND ANALYSIS

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The Board has established a Compensation Committee which is responsible for planning, establishing, and monitoring overall compliance with our compensation policies. The Compensation Committee consists only of independent non-employee directors and operates under a written charter approved by the Board.

#### EXECUTIVE COMPENSATION PHILOSOPHY

The quality of our employees, including our executive team, is critical to executing our community banking philosophy, emphasizing personalized service combined with the full resources of a larger banking organization. To meet our primary goal of attracting, retaining and incentivizing highly-qualified executives and employees within the context of our corporate culture, our compensation programs are designed with the following principles in mind:

- We are committed to providing effective compensation and benefit programs that are competitive within our industry and with other relevant organizations with whom our banks compete for employees.
- Our programs are designed to encourage and reward behaviors that ultimately contribute to the achievement of organizational goals.
- Pay programs and practices reinforce our commitment to providing a work environment that promotes respect, teamwork, and individual growth opportunities.

Consistent with this overall philosophy, we have designed our compensation programs to be relatively straightforward and transparent to shareholders, while providing benefits attractive enough to attract, retain and motivate highly qualified employees. The principal components of our compensation package for executives are:

- Base salary
- Annual incentive bonus
- Long-term incentives - equity grants
- Retirement, termination and change of control benefits

- Other general employee benefits

The Compensation Committee designs our overall compensation program and makes decisions regarding individual executive compensation, in the content of a "total compensation policy" that takes into account the overall package of compensation benefits provided to each executive. Except as described below, we have not adopted any specific policies or guidelines for allocating compensation between short-term and long-term incentives or between cash and non-cash compensation. However, our philosophy is to tie a greater percentage of an executive's compensation to the achievement of Company financial and performance goals. Accordingly, base salaries are set at competitive levels, with an opportunity for each executive to be well-rewarded through the annual incentive bonus and stock option grants if Glacier meets its performance objectives.

#### PROCESS FOR DETERMINING COMPENSATION

The Compensation Committee typically meets at least annually to perform a strategic review of our executive officers' overall compensation packages, including determination of awards for the past fiscal year based on satisfaction of previously established performance objectives, and adjustment of base

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salaries, establishment of target bonuses and performance objectives and granting of stock options for the current fiscal year. Among other things, the Compensation Committee evaluates total executive compensation and the role of various elements of compensation within that total.

Our Chief Executive Officer performs an annual performance review of other executive officers and provides a recommendation to the Committee regarding base salary and bonus targets for each other executive officer, which the Committee has discretion to approve or modify. The Compensation Committee then submits a recommendation regarding compensation for all executive officers to the Board for approval. The Compensation Committee meets separately on an annual basis with our Chief Executive Officer to determine his compensation.

In 2005, the Compensation Committee retained Watson-Wyatt, a multi-national employee benefits consulting firm, to have them help design a new long-term incentive program and to review compensation levels throughout the Company. We did not engage Watson-Wyatt for 2008 for executive compensation, but the Compensation Committee considered the recommendations made by Watson-Wyatt in 2005 in determining the compensation packages for executives in 2008. In addition, the Compensation Committee also compares executive compensation levels against a peer group of publicly-traded financial companies (the "Compensation Peer Group"). The Compensation Peer Group is periodically updated by the Compensation Committee and consists of companies which the Committee believes are comparable in size to the Company and with whom we may compete against in limited geographic situations. The Compensation Peer Group for 2008 is identified below. The Compensation Committee believes that we compete with all of the Compensation Peer Group for the recruiting and retention of executives. Although the Compensation Committee does not conduct formal "benchmarking" of executive compensation versus executive compensation of the Compensation Peer Group, it does consider comparative compensation levels in assessing overall compensation.

#### DISCUSSION OF EXECUTIVE COMPENSATION COMPONENTS

Base Salary



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We provide executives and other employees with a base salary to compensate them for services rendered during the year. Base salary ranges for executives are determined for each position based on market data. Base salary is designed so that the salary opportunities for a given position will be between 75% and 125% of the midpoint of the established range, depending upon, among other things, the executive's experience and the relative market demand for the skill set needed to fulfill responsibilities of the position. In its review of base salaries for executives, the Compensation Committee considers:

- Internal review of salary range based on available market data
- Market data provided by consultants, when necessary
- Internal review relative to others within the Company
- Individual performance
- The experience and qualifications of each individual

Salary levels are reviewed annually as part of the Executive Performance Review. Promotion and other changes in job responsibility are reviewed at the time of change or promotion.

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### Annual Incentive Bonus

Performance-based bonuses comprise a significant component of the overall compensation package for each executive officer. The annual bonus of each executive officer, other than the Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, is contingent upon satisfaction of both quantifiable and nonquantifiable performance measures established by the Compensation Committee, with the nonquantifiable component typically limited to no more than 10% of the overall bonus. The quantifiable measures are established at the beginning of each fiscal year and can be monitored by us and the executive throughout the year. These performance measures are tracked and evaluated as follows:

- For each quantifiable performance measure selected, three levels of goals are defined to determine the amount of incentive that will be paid.
  - Acceptable - At or below this level of performance, no incentive values are payable.
  - Expected - At this level of performance, 100% of target incentive values are payable.
  - Outstanding - At this level of performance, 200% of target incentive values are payable.
- For each non-quantifiable performance measures, discretionary judgment is applied across a spectrum ranging from minimally acceptable to clearly outstanding.

The types of performance measures, the target performance measure levels and the weighting of each performance measure is predetermined at the beginning of each fiscal year with weights typically ranging from 10% to 30%. Performance

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measures include Earnings Growth, Deposit Growth, Asset Quality, Loan Growth, Holding Company Performance, and others as needed, and are based on the performance of the bank at which the executive serves, with respect to executives who serve at subsidiary banks.

Chief Executive Officer. In setting compensation for the Chief Executive Officer, the Compensation Committee relies heavily on the financial performance of Glacier and the subsidiary banks. Consistent with our performance-based philosophy, incentive compensation is a significant component in determining his overall total compensation. While other executive bonuses are based on formulas determined by the Compensation Committee, the bonus for the Chief Executive Officer is a separate process tied to subjective, as well as objective factors.

To determine the compensation package for our Chief Executive Officer, the Committee considers our financial performance as compared to our Compensation Peer Group as well as his achievement of individual objectives and accomplishments. In addition, the Compensation Committee considers other measures such as:

- credit quality of the subsidiary banks has deteriorated, but still remains above the Company's peer group;
- effective communication of our overall goals and objectives to employees;
- continued growth of the Company through the acquisition in 2008 of Bank of the San Juans;
- the Company's successful public offering of common stock in 2008, resulting in net proceeds to the Company of approximately \$94 million; and

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- continuation of good shareholder relations.

Although the Compensation Committee does not, in determining the compensation package for our Chief Executive Officer, rely upon the multiple of that compensation package compared to those of the other Named Executive Officers, the Compensation Committee did note that the multiple of his total compensation to the average total compensation of such other executive officers is 1.3.

Chief Financial Officer. Our Chief Executive Officer typically makes a recommendation to the Committee with respect to the base salary and bonus for our Chief Financial Officer. This recommendation is based on a variety of objective and subjective factors, including the same Company performance factors listed above for other Named Executive Officers as well as individual performance.

Chief Administrative Officer. Our Chief Executive Officer typically makes a recommendation to the Committee with respect to the base salary and bonus for our Chief Administrative Officer. This recommendation is based on a variety of objective and subjective factors, including the same Company performance factors listed above for other Named Executive Officers as well as individual performance.

Long-term Incentives - Equity Grants

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The compensation package of each executive includes a long-term incentive component in the form of annual equity grants. We believe stock ownership more closely aligns executive and Company long-term goals, and in particular provides an incentive for executives to help build shareholder value. We also believe this program provides a retentive effect by enabling executives to share in the benefits of stock price appreciation.

In 2005, the Board adopted, and our shareholders approved, a Stock Incentive Plan. Each year the Board establishes target levels of shares for executive officers, other management positions and employees generally. Following year end, we award stock options at levels that are either below, at or above the target levels. The levels are based on the Company's achievement of predetermined goals based on three-year average return on average equity, which we believe is a very important criterion in measuring our success and the performance of our executives.

### Retirement Benefits

As part of our "total compensation policy" we offer executives the opportunity to participate in both a tax-deferred compensation plan and a supplemental executive retirement plan (SERP). The deferred compensation plan allows executives to defer a portion of their salary and bonus and thereby defer tax payable on that income. Members of the Board are also entitled to participate in the plan. The SERP is intended to supplement payments due to participants upon retirement under our other qualified plans. Participation in these plans is elective.

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### Termination and Change of Control Benefits

As an additional part of our "total compensation policy" we have entered into employment contracts with certain executive officers that allow for continuation of current base salary upon termination without cause, or upon termination following a change in control of the Company. These agreements provide for payments ranging from one times annual base salary to 2.99 times annual base salary. These arrangements are intended to retain our executives who could have other job alternatives that may appear to them to be less risky absent these arrangements, particularly given the significant level of acquisition activity in the banking sector.

All of our change in control arrangements are "double trigger," meaning that benefits are not awarded upon a change of control unless the executive's employment is terminated within a specified period of time following the transaction. We believe this structure strikes a balance between the incentives and the executive retention effects described above, without providing these benefits to executives who continue to enjoy employment with an acquiring company in the event of a change of control transaction.

The terms of these plans are described under the heading "Post Employment and Termination Benefits" beginning on page 22. That section also contains tables showing the amounts that the executive officers would receive if their employment was terminated in connection with a change in control.

### Other General Employee Benefits

Executive officers are eligible to participate in all employee benefit plans that are available to eligible employees generally, including health insurance, life and disability insurance, 401(k) matching contributions, and

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profit sharing.

### 2008 EXECUTIVE COMPENSATION

This year, as we have in past years (except for 2005, when we retained Watson-Wyatt), we compared our executive compensation levels against a Compensation Peer Group. The 2008 Compensation Peer Group was adjusted from the previous year to better reflect institutions of comparable size and high level of performance comparable to Glacier. The Compensation Peer Group for 2008 consisted of the following companies:

SVB Financial Group	Hancock Holding Company
1st Source Corporation	Westamerica Bancorporation
CVB Financial Corp.	PrivateBancorp, Inc.
Capital Bancorp Ltd.	Sandy Spring Bancorp, Inc.
Community Bank Systems, Inc.	Frontier Financial Corporation
Sterling Bancshares, Inc.	Banner Corporation
WesBanco, Inc.	Integra Bank Corporation
Oriental Financial Group, Inc.	Heartland Financial USA, Inc.
Taylor Capital Group, Inc.	Chemical Financial Corporation
S&T Bancorp, Inc.	Western Alliance Bancorporation

### 2008 Base Salary

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We increased the 2008 base salary of Mr. Blodnick by 3% from his base salary for 2007. Based on its analysis of the performance factors described above, the Committee recommended an increase in Mr. Blodnick's base salary in excess of the amount by which his salary was actually increased, as Mr. Blodnick declined to accept the full recommended increase. Mr. Blodnick's base salary remained at approximately 68% of the level of the average base salary for chief executive officers among the Compensation Peer Group.

Mr. Hippler's 2008 base salary was increased by approximately 10.9% from his base salary for 2007. Mr. Hippler's base salary for 2008 was determined by, and paid by, Mountain West Bank, of which Mr. Hippler has served as President and CEO since its formation in 1993.

Mr. Chery's 2008 base salary was increased by approximately 14.5% from his base salary for 2007. Mr. Chery was appointed to his current positions with Glacier effective August 27, 2007. Prior to that date he served as President of Big Sky Western Bank, and his salary for 2007 prior to August 27, 2007 was paid pursuant to an employment agreement with that institution, which determined the annual base salary. Mr. Chery's salary from August 27, 2007 to the end of 2007 was negotiated in connection with his promotion. The increase in Mr. Chery's base salary in 2008 brings his compensation in line with executive officers with similar levels of responsibility.

Mr. Copher's 2008 base salary was increased by 3% from his base salary for 2007.

### 2008 Annual Incentive Bonuses

For 2008, we awarded a bonus to our Chief Executive Officer. This bonus was based on the Committee's determination that our Chief Executive Officer had met

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all of the performance measures for 2008 with an outstanding level of performance. Our financial results are evidenced by our performance relative to our Compensation Peer Group. In this group, Glacier Bancorp, Inc. was 5th in Return on Average Assets, 6th in Return of Average Equity and 3rd in total return over the past five years. We maintained a strong level of credit quality through 2008, and the percentage of loans which were past due is substantially below our peer group. In addition, our Chief Executive Officer led the acquisition of a bank in Colorado during 2008, and was instrumental in the success of the Company's public stock offering. The Committee also considered our Chief Executive's efforts in helping to maintain strong shareholder relations. The Committee also recognized that the base salary of our Chief Executive Officer is approximately 68% of the average base salary for chief executive officers among our peer group. Based upon its evaluation of Mr. Blodnick's performance during 2008, and in light of his comparatively low base salary, the Committee recommended a bonus, but Mr. Blodnick declined to accept a bonus.

Mr. Hippler received a bonus of \$67,045, or approximately 26% of his base salary. Mr. Hippler's bonus was based on the performance of his bank relative to pre-established performance targets as set by the Committee for Glacier's subsidiary banks generally.

Messrs. Chery and Copher received bonuses of \$25,000 and \$35,000, respectively, or approximately 12.8% and 17.9% of their respective base salaries.

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### Long-term Incentives

The Committee established the following targets for option grants to our executive officers during 2008:

Position -----	Objective (3 Yr. ROE)				
	10%	12%	14%	16%	18%
CEO	3,750	7,500	11,250	15,000	18,750
CFO and CAO	2,000	4,000	6,000	8,000	10,000
President, Subsidiary Banks >\$500 million	2,000	4,000	6,000	8,000	10,000

Our long-term incentive (stock option) grants to executive officers are based on the Company's achievement of specified levels of three-year average return on equity ("ROE") as set by the Committee each year. The three-year average ROE applicable to performance during 2008 (the years 2005, 2006 and 2007) exceeded the 14% level, but did not reach the 16% level. Accordingly, in January 2009, our executive officers received long-term incentive grants at the levels indicated under the "12% level" in the table above. As a result, Mr. Blodnick was granted options for 7,500 shares, Messrs. Hippler, Copher and Chery were granted options for 4,000 shares each.

During 2008, we granted stock options to purchase an aggregate of 598,810 shares overall, with 29,250 of these shares (or 4.9%) granted to Named Executive Officers.

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### Tax Considerations

Under federal income tax law, a public company may not deduct non-performance based compensation in excess of \$1 million paid to its chief executive officer or any of its other four highest-paid executive officers. No executive officer of Glacier received non-performance based compensation in excess of this limit in fiscal 2008. The Compensation Committee currently intends to continue to manage Glacier's executive compensation program in a manner that will maximize federal income tax deductions. However, the Compensation Committee may from time to time exercise its discretion to award compensation that may not be deductible under Section 162(m) of the Internal Revenue Code when in its judgment such award would be in the best interests of the Company.

In addition, the change in control provisions described in the section entitled "Executive Compensation" are designed to reduce the amounts payable that otherwise would be subject to an excise tax applicable to payments known as "excess golden parachute payments" as defined under Section 280G of the Internal Revenue Code.

### REPORT OF COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors makes the following report which, notwithstanding anything to the contrary set forth in any of the Company's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, will not be incorporated by reference into any such filings and will not otherwise be deemed to be proxy soliciting materials or to be filed under such Acts.

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis ("CD&A") as required by Item 402(b) of Regulation S-K with management, and, based on that review and those discussions, the Compensation Committee recommended to the Board that the CD&A be included as part of this Proxy Statement and 2008 Annual 10-K Report.

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### COMPENSATION COMMITTEE MEMBERS

Allen J. Fetscher (Chairperson) - James M. English - Craig A. Langel - Dallas I. Herron L. Peter Larson - Douglas J. McBride - John W. Murdoch - Everit A. Sliter

### COMPENSATION TABLES

The table on the following page shows compensation paid or accrued for the last three fiscal years to Glacier's Chief Executive Officer, Chief Financial Officer and each of the two Named Executives earning in excess of \$100,000.

### SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)
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(a)	(b)	(c)	(d) (1)	(e) (2)	(f) (3)	(g) (4) (5)
Michael J. Blodnick	2008	\$324,450	\$ --	\$60,403	\$46,220	\$26,541
President and CEO	2007	314,423	150,000	83,885	74,952	29,530
	2006	298,438	200,000	51,546	87,009	29,690
Ron J. Copher,	2008	\$195,700	\$ 35,000	\$68,416	\$ 1,403	\$23,858
Senior Vice President	2007	190,000	60,500	44,853	--	47,700
and CFO	2006	--	--	--	--	--
Don J. Chery,	2008	\$195,700	\$ 25,000	\$23,660	\$ 4	\$24,444
Executive Vice	2007	171,073	54,818	28,343	--	24,285
President and Chief	2006	--	--	--	--	--
Administrative						
Officer						
Jon W. Hippler,	2008	\$256,256	\$ 67,045	\$32,215	\$10,477	\$30,708
President, Mountain	2007	230,834	91,849	45,006	11,617	35,258
West Bank	2006	221,508	107,000	30,788	21,440	35,744

(1) Includes \$13,409 deferred by Mr. Hippler pursuant to the Company's Deferred Compensation Plan, the material terms of which are described below under "Deferred Compensation Plan."

(2) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008 in accordance with FAS 123(R), and include amounts awarded in and prior to 2008 (as adjusted for stock splits and stock dividends). Assumptions used to calculate this amount are included in the footnotes to Glacier's audited financial statements for the fiscal year ended 2008, included in the Company's accompanying Annual Report. The options expire five years from the date of grant and vest two years from the date of grant.

(3) Represents amounts contributed by Glacier to the Named Executives' individual account under Glacier's Supplemental Executive Retirement Plan ("SERP"), the material terms of which are described below under "Post Employment and Termination Benefits - Supplemental Executive Retirement Plan" and above-market earnings on non-qualified deferred compensation during 2008. Earnings are credited at one-half of the Company' current year return-on-equity, or 5.75% in 2008.

(4) Amount shown for Mr. Blodnick includes: \$6,264 allocated or paid by Glacier pursuant to the Company's 401(k) matching program; \$11,500 allocated or paid by Glacier pursuant to Glacier's Profit Sharing Plan.

Amount shown for Mr. Copher includes: \$5,615 allocated or paid by Glacier pursuant to the Company's 401(k) matching program; \$11,485 allocated or paid by Glacier pursuant to Glacier's Profit Sharing Plan.

Amount shown for Mr. Chery includes: \$6,614 allocated or paid by Glacier pursuant to the Company's 401(k) matching program; \$11,024 allocated or paid by Glacier pursuant to Glacier's Profit Sharing Plan.

Amount shown for Mr. Hippler includes: \$7,390 allocated or paid by Glacier pursuant to the Company's 401(k) matching program; \$11,500 allocated or paid by Glacier pursuant to Glacier's Profit Sharing Plan.

(5) Does not include amounts attributable to miscellaneous benefits or perquisites received by the Named Executives. The costs to the Company of providing such benefits to any individual executive officer during the year ended December 31, 2008 did not exceed \$10,000 in the aggregate.

## 2008 GRANTS OF PLAN-BASED AWARDS

The following table provides information on the grant of equity and non-equity awards during 2008.

Name (a)	Grant Date (b)	All Other Option Awards: Number Securities Under- lying Options (#) (c) (1) (2)		Exercise or Base Price of Option Awards (/Sh) \$ (d) (1) (3)	Grant Date Fair Value of Stock and Option Awards \$ (e) (1) (3)
Michael J. Blodnick	1/30/2008	11,250		\$18.19	\$40,050
Ron J. Copher	1/30/2008	6,000		\$18.19	21,360
Don J. Chery	1/30/2008	6,000		\$18.19	21,360
Jon W. Hippler	1/30/2008	6,000		\$18.19	21,360

(1) Amounts have been adjusted to reflect applicable stock splits and stock dividends.

(2) Stock options vest on the second anniversary of the date of grant and must be exercised within five years of the grant date, subject to certain conditions, as discussed in the section "Executive Compensation - Employee Stock Plans."

(3) The grant date fair value of the equity awards is computed in accordance with FAS 123(R). Information regarding the stock option awards can be found in the footnotes to Glacier's financial statements, included in the accompanying Annual Report.

## 2008 OPTION EXERCISES AND STOCK VESTED

Name (a)	Option Awards	
	Number of Shares Acquired on Exercise (#) (b) (1)	Value Realized on Exercise (\$) (c) (1)
Michael J. Blodnick	7,734	66,242
Ron J. Copher	0	0
Don J. Chery	7,734	66,242
Jon W. Hippler	5,997	34,363

(1) The value realized represents the excess of the fair market value of the shares at the time of exercise over the exercise price of the options (the closing price of the options on the date of grant). The amounts have been



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adjusted to reflect applicable stock splits and stock dividends.

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2008 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Option Awards				
Name (a)	Number of Securities Underlying Options (#) Exercisable (b) (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c) (1)	Option Exercise Price (\$) (d) (1)	Option Expiration Date (e)
Michael J. Blodnick	7,032		\$13.37	01/28/2009
	7,443		16.67	01/26/2010
	22,500		20.96	01/25/2011
Ron J. Copher		15,000 (2)	23.47	01/31/2012
		11,250 (3)	18.19	01/30/2013
	15,000		24.40	12/18/2011
Don J. Chery		8,000 (2)	23.47	01/31/2012
		6,000 (3)	18.19	01/30/2013
	7,032		13.37	01/28/2009
Jon W. Hippler	7,443		16.67	01/26/2010
	7,500		20.96	01/25/2011
		5,000 (2)	23.47	01/31/2012
		6,000 (3)	18.19	01/30/2013
	12,000		20.96	01/25/2011
		8,000 (2)	23.47	01/31/2012
		6,000 (3)	18.19	01/30/2013

(1) As adjusted for subsequent stock splits and stock dividends.

(2) Options became fully vested January 31, 2009.

(3) Options become fully vested January 30, 2010.

EMPLOYEE STOCK PLANS

Glacier has previously maintained an employee stock option plan, including the 1995 Employee Stock Option Plan ("1995 Plan"), which was approved by the Board and the shareholders. The 1995 Plan provided for the grant of incentive and nonqualified stock options, had a term of 10 years, and expired in February of 2005. Although no options may be issued under the 1995 Plan, the plan has granted but unexercised options outstanding.

At the 2005 Annual Meeting, shareholders of Glacier approved the 2005 Stock Incentive Plan ("2005 Plan"), the successor to the 1995 Plan. The 2005 Plan provides for awards of stock based incentive compensation to eligible employees, consultants, and directors of the Company or its affiliates. Shares of Glacier common stock are issuable under the 2005 Plan in the form of stock options, share appreciation rights, restricted shares, restricted share units and

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unrestricted shares, deferred share units, and performance awards.

The 2005 Plan is effective for ten years and limits the grant of shares to any one eligible individual to a maximum of 562,500 shares during the term of the 2005 Plan. The aggregate number of shares available for issuance under the 2005 Plan is 2,942,452 of which no more than 2,000,867 may be granted in a form other than stock options and stock appreciation rights. All share amounts have been adjusted for applicable stock splits and stock dividends.

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### POST EMPLOYMENT AND TERMINATION BENEFITS

#### 2008 NONQUALIFIED DEFERRED COMPENSATION

Name (a)	Executive Contribution in Last FY (\$) (b) (1)	Aggregate Earnings in Last FY (\$) (c) (2)	Aggregate Balance at Last FYE (\$) (d)
-----	-----	-----	-----
Michael J. Blodnick	\$ --	\$40,575	\$746,230
Ron J. Copher	--	--	--
Don J. Chery	--	--	--
Jon W. Hippler	13,409	8,198	150,774
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- (1) Amounts deferred pursuant to the Deferred Compensation Plan, which are reported as compensation to each of the Named Executives in the Summary Compensation Table. The material terms of the Deferred Compensation Plan are described below.
- (2) Earnings on amounts deferred under the Deferred Compensation Plan are credited at one-half of the Company's current year return-on-equity, or 5.75% in 2008.

Deferred Compensation Plan. Since December 1995, Glacier has maintained a non-qualified and non-funded deferred compensation plan (the "Deferred Plan") for directors and key employees. The Deferred Plan permits eligible directors and officers of the Company to defer certain income that would otherwise be taxable as earned and paid in the ordinary course. The Deferred Plan was subsequently amended principally in response to the recent enactment of Section 409A of Internal Revenue Code of 1986, and permit participants to elect cash-out distributions and to make new distribution elections on terms that conform with the restrictions set forth in Section 409A.

As amended and restated, the Plan permits a designated officer or key employee to annually defer up to 50% of his or her salary, as well as up to 100% of any cash bonuses. A non-employee director may elect to have any portion of his or her director's fees deferred into an account. The restated Deferred Plan also provides that the post-2004 rate of return on deferred compensation accounts will equal fifty percent (50%) of the Company's return-on-average-equity (whether positive or negative) as of December 31 for such year. This change is expected to limit the Company's future compensation expense while retaining the Deferred Plan's performance-based nature.

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PENSION BENEFITS

Name (a)	Plan Name (b) (1)	Number of Years Credited Service (#) (c) (2)	Present Value of Accumulated Benefit (\$) (d) (3)	Payments During Last Fiscal Year (\$) (e)
Michael J. Blodnick	SERP	N/A	\$614,038	\$0
Ron J. Copher	SERP	N/A	3,464	0
Don J. Chery	SERP	N/A	65	0
Jon W. Hippler	SERP	N/A	57,520	0

- (1) The terms of the Supplement Executive Retirement Plan (SERP) are described below.
- (2) There are no minimum service requirements under the SERP.
- (3) Based on the amounts accrued through fiscal year 2008, in the event the executive were to leave employment, each of the Named Executives could receive a lump sum payment or five annual installments under the SERP, payable in the following amounts: Mr. Blodnick \$122,808; Mr. Copher \$693; Mr. Chery \$13; Mr. Hippler \$11,504. However, as noted below participants may alternatively make cash out elections or other distribution elections.

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Supplemental Executive Retirement Plan. In December 1995, the Board adopted a nonqualified and nonfunded Supplemental Executive Retirement Plan (the "SERP") for senior executive officers, and entered into separate Supplemental Executive Retirement Agreements with the executives. The SERP is intended to supplement payments due to participants upon retirement under the Company's other qualified plans. In general, the SERP provides that Glacier will credit each participating executive's account on an annual basis, an amount equal to employer contributions that would have otherwise been allocated to the executive's account under the tax-qualified plans were it not for limitations imposed by the Internal Revenue Service, or participation in the Deferred Plan. Payments under the SERP could be paid in a lump sum or made in five annual installments upon the executive leaving employment, the first of which will be paid on the first day of the second month upon retirement. In the event of a change in control, the amounts in the individual SERP accounts will be deposited into a trust, and the Company will continue to be obligated to provide for the benefits under the SERP. In the event the executive is terminated for Just Cause (as defined), no benefits will be payable to the executive under the SERP and all obligations of the Company with respect to the executive's SERP cease.

In 2005, the SERP was amended to principally mirror those changes described above for the Company's Deferred Plan, namely: permitting participants to make cash-out elections and new distribution elections, and providing that, for years after 2004, the account balance for each participant will be credited with a rate of return that is equal to fifty (50%) of the Company's return-on-average equity.

EMPLOYMENT ARRANGEMENTS

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Below are summaries of certain agreements between executive officers listed in the compensation table and the Company or its subsidiaries. These summaries are qualified in their entirety by the individual agreements.

Michael J. Blodnick Employment Agreement. During calendar year 2008, Mr. Blodnick's employment was governed by an employment agreement that became effective January 1, 2008. The agreement terminated December 31, 2008 and a new agreement was entered into effective January 1, 2009. Mr. Blodnick's agreement provides for an annual salary (currently \$334,183), with subsequent increases subject to the recommendation of the Compensation Committee and the Board's review of Mr. Blodnick's compensation and performance. Incentive compensation is to be determined by the Board, as recommended by the Compensation Committee, and any bonus will be payable not later than January 31 of the year following the year in which the bonus is earned. If Mr. Blodnick's employment is terminated by the Company without cause (as defined) or by Mr. Blodnick for good reason (as defined) during the term of the agreement, Mr. Blodnick will receive a payment having a present value equal to the compensation and other benefits to which he would have been entitled for the remainder of the term if his employment had not terminated. All such payments must be completed no later than March 15 of the calendar year following the year in which employment was terminated. Mr. Blodnick is prohibited from competing with the Company or its subsidiaries during the term of the agreement and for a three-year period following his termination of employment.

If Mr. Blodnick's employment is terminated by the Company or its successor within three years following a change of control (as defined), Mr. Blodnick will be entitled to receive an amount equal to 2.99 times his then current annual salary, payable in 36 monthly installments, plus continued employment benefits for 2.99 years following termination. This amount (2.99 times annual salary plus continuation of benefits) would also be payable if Mr. Blodnick terminates his employment within three years of a change of control. If Mr. Blodnick's employment is terminated, other than for cause, by the Company in certain circumstances following the announcement of a change in control that subsequently occurs, Mr. Blodnick will be entitled to receive an amount equal to 2.99 times his then current annual salary, payable in 36

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installments commencing within 30 days after the change in control. The agreement provides that the payments to be received by Mr. Blodnick will be limited to less than the amount that would cause them to be an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code. In addition, the payments and benefits to be received by Mr. Blodnick will be reduced by any compensation that he receives from the Company or its successor following a change in control and/or after his termination of employment.

Ron J. Copher Employment Agreement. During calendar year 2008, Mr. Copher's employment was governed by an employment agreement that became effective January 1, 2008. The agreement terminated December 31, 2008, and a new agreement was entered into effective January 1, 2009. Except as described below, the employment agreement for Mr. Copher is substantially the same as the agreement for Mr. Blodnick. Mr. Copher's agreement provides for an annual salary (currently \$201,571) with subsequent increases subject to the board of directors' annual review of Mr. Copher's compensation and performance. Mr. Copher is prohibited from competing with the Company or any of its subsidiaries during the term of the agreement and for a two-year period following termination of employment.

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If Mr. Copher's employment is terminated by the Company or its successor within two years following a change in control, Mr. Copher will be entitled to receive an amount equal to two times his then current annual salary, plus continued employment benefits for two years following termination. This amount (two times annual salary plus continuation of benefits) would also be payable if Mr. Copher terminates his employment within two years following a change in control. If Mr. Copher's employment is terminated by the Company, other than for cause, in certain circumstances following the announcement of a change in control that subsequently occurs, Mr. Copher will be entitled to receive an amount equal to two times his then current annual salary, payable in 24 monthly installments.

The table below shows the maximum amounts that could be paid to the Chief Executive Officer and Chief Financial Officer under their respective agreements. The following information is based on (i) the executives' compensation at December 31, 2008; and (ii) assumes the triggering event was December 31, 2008.

	Chief Executive Officer (1)		Chief Financial Officer	
	Termination (without cause) or by Executive (with good reason)	Termination (without cause) or Termination by Executive Due to a Change in Control (2)	Termination (without cause) or by Executive (with good reason)	Termination (without cause) or Termination by Executive (with good reason) a Change in Control
Base salary	\$324,450	\$970,106	\$195,700	\$391,400
Healthcare and other benefits	6,270	18,747	6,157	12,314
Fair market values of accelerated equity vesting (3)	--	--	--	--
Perquisites	--	--	--	--
<b>Total</b>	<b>\$330,720</b>	<b>\$988,853</b>	<b>\$201,857</b>	<b>\$403,714</b>

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- (1) In the event of death or disability, executive, or if applicable his estate, would be paid any amounts earned through the termination date.
  - (2) Represents payments to the Named Executive in the event of termination for the following reasons: (i) "without cause" within three years of a change in control, (ii) before a change in control and within six months of termination a change in control occurs, or (iii) executive terminates his employment within three years of a change in control.
  - (3) For the purposes of this table the fair market value of the accelerated vesting of equity awards is determined as being the difference between the Company's December 31, 2007 closing stock price and the strike price of the accelerated equity awards. It is expected that in the event of a change of control, the per-share settlement stock price would be higher than that used in this table.

Don J. Chery Employment Agreement. During calendar year 2008, Mr. Chery's employment was governed by an employment agreement that became effective January 1, 2008. The Agreement

terminated December 31, 2008 and a new agreement was entered into effective January 1, 2009. Except as described below, the employment agreement for Mr. Chery is substantially the same as the agreement for Mr. Copher. Mr. Chery's agreement provides for an annual salary (currently \$201,571), with subsequent increases subject to the board of directors' annual review of Mr. Chery's compensation and performance. The provisions of Mr. Chery's employment agreement regarding incentive compensation, termination by the Company without cause or termination by Mr. Chery for good reason, non-competition, and payments to which Mr. Chery may be entitled in connection with a change in control, are the same as described above with respect to the agreement for Mr. Copher.

Jon W. Hippler Employment Agreement. During calendar year 2008, Mr. Hippler's employment was governed by an employment agreement dated January 1, 2008 with Mountain West Bank, as ratified by the Company. The Agreement terminated December 31, 2008 and a new agreement was entered into, again with Mountain West Bank and ratified by the Company, effective January 1, 2009.

Mr. Hippler is employed as the CEO of Mountain West Bank, located in Coeur d'Alene, Idaho. In other regards, and except as set forth below, the employment agreement for Mr. Hippler is substantially the same as the agreements for Messrs. Blodnick, Copher and Chery. Mr. Hippler's current salary is \$263,944. Incentive compensation is to be determined by Mountain West Bank's board of directors and ratified by the Company's board of directors. Mr. Hippler is prohibited from competing with the Company or any of its subsidiaries during the term of the agreement and for a one-year period following termination of employment.

If Mr. Hippler's employment is terminated by Mountain West Bank or its successor within one year following a change in control, the agreement provides that Mr. Hippler will be entitled to receive an amount equal to his then current annual salary, payable in 12 monthly installments, plus continued employment benefits for one year following termination. This amount (one times annual salary plus continuation of benefits) would also be payable if Mr. Hippler terminates his employment within one year following a change in control. If Mr. Hippler's employment is terminated by Mountain West Bank, other than for cause, in certain circumstances following announcement of a change in control that subsequently occurs, Mr. Hippler will be entitled to receive an amount equal to his then current annual salary, payable in 12 monthly installments.

The table below shows the maximum amounts that could be paid to Messrs. Chery and Hippler under their respective agreements. The following information is based on (i) the executive's compensation at December 31, 2008; and (ii) assumes the triggering event was December 31, 2008.

Don J. Chery (1)		Jon W. Hippler (1)	
-----		-----	
Termination (without cause) or by Executive (with	Termination (without cause) or Termination by Executive Due to a Change	Termination (without cause) or by Executive (with	Terminat (without o or Termin by Execu Due to a C

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	good reason)	in Control (2)	good reason)	in Control
	-----	-----	-----	-----
Base salary	\$195,700	\$391,400	\$256,256	\$256,256
Healthcare and other benefits	6,205	12,410	5,489	5,489
Fair market values of accelerated equity vesting (4)	--	--	--	--
Perquisites	--	--	--	--
	-----	-----	-----	-----
Total	\$201,905	\$403,810	\$261,745	\$261,745
	=====	=====	=====	=====

- 
- (1) In the event of death or disability, executive, or if applicable his estate, would be paid any amounts earned through the termination date.
  - (2) Represents payments to the Named Executive in the event of termination for the following reasons: (i) "without cause" within two years of a change in control, (ii) before a change in control and within six months of termination a change in control occurs, or (iii) executive terminates his employment within three years of a change in control.
  - (3) For the purposes of this table the fair market value of the accelerated vesting of equity awards is determined as being the difference between the Company's December 31, 2008 closing stock price and the strike price of the accelerated equity awards. It is expected that in the event of a change of control, the per-share settlement stock price would be higher than that used in this table.

MANAGEMENT

EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

The following table sets forth information with respect to executive officers during 2008 who are not directors or nominees for director of Glacier, including employment history for the last five years. All executive officers are appointed annually and serve at the discretion of the Board.

Name	Age	Position	Has Served Officer of Company s
-----	---	-----	-----
Don J. Chery	46	Executive Vice President, Chief Administrative Officer of the Company(1)	1989
Ron J. Copher	51	Senior Vice President, Chief Financial Officer, Treasurer and Assistant Secretary(2)	2006

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- (1) Mr. Chery was appointed to his present positions effective August 27, 2007. Prior to that date, Mr. Chery had served for seven years as President of one of Glacier's subsidiary banks, Big Sky Western Bank. Mr. Chery also serves as a director of the following Glacier subsidiaries: Valley Bank of Helena, Big Sky Western Bank, Western Security Bank and First Bank of Montana.
  - (2) Mr. Copher was appointed to his present positions effective March 31, 2007, upon the retirement of the former Chief Financial Officer. He served as

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Senior Vice President from December 18, 2006 until March 31, 2007. Prior to joining Glacier, Mr. Copher served as Chief Financial Officer of Oak Hall Financial, Inc., a financial holding company based in Jackson, Ohio.

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SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT

The following table shows, as of January 11, 2009, the amount of Glacier common stock beneficially owned by (a) each director of the Company, (b) the executive officers named in the Summary Compensation Table above, and (c) all of Glacier's directors and executive officers as a group. Beneficial ownership is a technical term broadly defined by the Securities and Exchange Commission to mean more than ownership in the usual sense. In general, beneficial ownership includes any shares a director or executive officer can vote or transfer and stock options or other rights that are exercisable currently or become exercisable within 60 days. Except as noted below, each holder has sole voting and investment power for all shares beneficially owned.

NAME	POSITION	AMOUNT AND BENEFICIAL OW COMMON STO JANUARY 11, -----
Michael J. Blodnick	Director, President and CEO	439,289
Don J. Chery	Executive Vice President, Chief Administrative Officer of the Company	59,077
Ron J. Copher	Senior Vice President, Chief Financial Officer, Treasurer and Assistant Secretary	28,477
James M. English	Director, Director of Mountain West Bank	46,099
Allen J. Fetscher	Director, Vice Chairman of First Security Bank of Missoula	337,103
Dallas I. Herron	Director	19,227
Jon W. Hippler	Director, Director/CEO of Mountain West Bank	40,957
Craig A. Langel	Director, Director of First Security Bank	71,209
L. Peter Larson	Director	891,825
Dr. Douglas J. McBride	Director, Director of Western Security Bank	11,204
John W. Murdoch	Director, Director of Big Sky Western Bank	16,527
Everit A. Sliter	Chairman of Glacier and Glacier Bank	415,650
Executive officers and directors as a group (12 individuals		2,376,644

(1) The number and percentages shown are based on the number of shares of Glacier common stock deemed beneficially held under applicable regulations, including options or other rights exercisable on or before March 11, 2009 (60 days after January 11, 2009), and have been adjusted for stock splits and stock dividends.

(2) Includes 241,289 shares held jointly with Mr. Blodnick's wife; 92,647 shares owned by Mr. Blodnick's wife; 4,122 shares for which Mr. Blodnick is custodian for his children; 29,486 shares held for Mr. Blodnick's account in the Company's Profit Sharing/401(k) Plans; 26,802 shares held in an IRA account for the benefit of Mr. Blodnick's wife; and 44,943 shares that



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could be acquired within 60 days by the exercise of stock options.

- (3) Includes 39,134 shares held jointly with Mr. Chery's wife and 19,943 shares that could be acquired within 60 days by the exercise of stock options.
- (4) Includes 3,000 shares held jointly with Mr. Copher's wife; 2,477 shares held for Mr. Copher's account in the Company's Profit Sharing/401(k) Plans; and 23,000 shares that could be acquired within 60 days by the exercise of stock options.
- (5) Includes 5,517 shares held in an IRA for the benefit of Mr. English; 28,735 shares owned jointly with Mr. English's wife; and 11,847 shares that could be acquired by Mr. English within 60 days by the exercise of options.

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- (6) Includes 70,000 shares owned by Mr. Fetscher's wife; 68,477 considered beneficially held as Trustee for shares held in a trust for the benefit of Mr. Fetscher's children; 108,566 held by a family corporation, of which Mr. Fetscher is a principal; 1,803 shares held by Mr. Fetscher's SEPP IRA; and 15,363 shares that could be acquired within 60 days by the exercise of stock options.
- (7) Includes 11,320 shares held jointly with Mr. Herron's wife; 1,248 shares owned by Mr. Herron's wife; 701 shares held in an IRA account for the benefit of Mr. Herron; 1,893 shares held in an IRA account for the benefit of Mr. Herron's wife; and 4,065 shares that could be acquired within 60 days by the exercise of stock options.
- (8) Includes 20,957 shares owned jointly with Mr. Hippler's wife, all of which have been pledged as collateral toward a line of credit; and 20,000 shares that could be acquired within 60 days by the exercise of options.
- (9) Includes 10,606 shares that could be acquired within 60 days by the exercise of stock options.
- (10) Includes 1,897 shares owned by Mr. Larson's wife's IRA; 834 shares held by Mr. Larson's IRA; 877,247 shares held in a living trust; and 11,847 shares that could be acquired within 60 days by the exercise of stock options.
- (11) Includes 128 shares held as trustee for Dr. McBride's children and 6,250 shares that could be acquired by Dr. McBride within 60 days by the exercise of options.
- (12) Includes 7,002 shares held in a family trust for which Mr. Murdoch has voting and dispositive power and 9,525 shares that could be acquired within 60 days by the exercise of stock options.
- (13) Includes 24,867 shares held jointly with Mr. Sliter's wife; 113,578 shares owned by Mr. Sliter's wife; 44,817 shares owned by Mr. Sliter's wife's IRA; 158,539 shares held by Mr. Sliter's IRA; 25,902 shares held by Mr. Sliter's SEPP IRA; 6,416 shares held by Mr. Sliter's SRA; 3,444 shares held in a family partnership; and 11,847 shares that could be acquired within 60 days by the exercise of stock options.
- (14) Includes 189,236 shares held by executive officers and directors as a group that could be acquired within 60 days by the exercise of stock options and other rights.

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### BENEFICIAL OWNERS

The following table includes information as of December 31, 2008 concerning the only persons or entities, including any "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act"), who or which was known to the Company to be the beneficial owner of more than 5% of the issued and outstanding Common Stock on the Annual Meeting record date.

Name and Address of Beneficial Owner -----	Amount and Nature of Beneficial Ownership (1) -----	Percent of Class -----
T. Rowe Price Associates, Inc. (2) 100 E. Pratt Street Baltimore, Maryland 21202	5,662,999	9.3%
Barclays Global Investors, N.A. (3) 45 Fremont Street San Francisco, California 94105	4,134,322	6.81%

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- (1) Pursuant to rules promulgated by the SEC under the Exchange Act, a person or entity is considered to beneficially own shares of common stock if the person or entity has or shares (i) voting power, which includes the power to vote or to direct the voting of the shares, or (ii) investment power, which includes the power to dispose or direct the disposition of the shares.
- (2) Based on an amended Schedule 13G filed under the Exchange Act. The securities are beneficially owned by various individual and institutional investors, which T. Rowe Price Associates, Inc. ("Price Associates") serves as investment adviser with power to direct disposition and/or sole power to vote the securities. For purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (3) Based on a Schedule 13G filed under the Exchange Act. The securities are beneficially owned by Barclays Global Investors, NA and related entities, including Barclays Global Fund Advisors and Barclays Global Investors, Ltd. Barclays Global Investors, NA reported beneficial ownership of 1,442,755 shares, or 2.38% of outstanding common stock. Barclays Global Fund Advisors reported beneficial ownership of 2,651,391 shares, or 4.37% of outstanding common stock, and Barclays Global Investors reported beneficial ownership of 40,176 shares, or 0.07% of outstanding common stock.

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### TRANSACTIONS WITH MANAGEMENT

#### CERTAIN TRANSACTIONS

Transactions between Glacier or its affiliates and related persons (including directors and executive officers of Glacier or their immediate family) must generally be approved by the Audit Committee (or a comparable

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committee of independent disinterested directors), in accordance with the policies and procedures set forth in the policy governing Related Persons Transactions adopted by the Board of Directors. Under the Related Persons Transaction Policy, a transaction between a "related person" will be consummated only if the designated committee, or a majority of the disinterested independent members of the Board, approves or ratifies such transaction in accordance with the guidelines set forth in the policy and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party.

During 2008 certain directors and executive officers of Glacier and its subsidiaries, and their associates, were customers of one or more of Glacier's subsidiary banks, and it is anticipated that such individuals will continue to be customers in the future. All transactions between Glacier's subsidiary banks and its executive officers and directors, and their associates, were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and, in the opinion of management, did not involve more than the normal risk of collectability or present other unfavorable features.

### COMPLIANCE WITH SECTION 16(A) FILING REQUIREMENTS

Section 16(a) of the Securities Exchange Act of 1934 requires that all of Glacier's executive officers and directors and all persons who beneficially own more than 10 percent of Glacier common stock file reports with the SEC regarding beneficial ownership of Company stock. Glacier has adopted procedures to assist its directors and executive officers in complying with the Section 16(a) filings.

Based solely on Glacier's review of the copies of the filings that it received for the fiscal year ended December 31, 2008, or written representations from certain reporting persons, Glacier believes that all reporting persons made all filings required by Section 16(a) on a timely basis.

### REGISTERED PUBLIC ACCOUNTANTS

BKD, LLP ("BKD"), an independent registered public accounting firm, performed the audit of our consolidated financial statements, which includes our subsidiaries, for the year ended December 31, 2008. A representative of BKD will be present at the Annual Meeting and will be available to respond to appropriate questions. The representative will have the opportunity to make a statement if he or she desires.

### FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table sets forth the aggregate fees charged to Glacier by BKD for audit services rendered in connection with the audited consolidated financial statements and reports for the 2008 and 2007 fiscal years.

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FEE CATEGORY	FISCAL 2008	% OF TOTAL	FISCAL 2007	% OF TOTAL
Audit Fees	\$767,300	77.3%	\$699,623	94.2%
Audit-Related Fees	224,860	22.7%	43,130	5.8%

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Tax Fees	0	00.0%	0	00.0%
All Other Fees	0	00.0%	0	00.0%
Total Fees	\$992,160	100.0%	\$742,753	100.0%
	=====	=====	=====	=====

Audit Fees. Consists of fees billed to Glacier for professional services rendered by BKD in connection with the audits of the Company's financial statements, the effectiveness of internal controls over financial accounting, the reviews of financial statements included in Glacier's Form 10-Qs, and the services to Glacier in connection with statutory or regulatory filings or engagements.

Audit-Related Fees. Fees in 2008 include technical accounting research and accounting matters relating to implementation of new and revised accounting standards and SEC filings in connection with Glacier's public equity offering and financial institution acquisition. Fees in 2007 relate to technical accounting research.

Tax Fees. There were no fees incurred for tax services for the fiscal years ended December 31, 2008 and 2007.

All Other Fees. There were no fees for services not included above for the fiscal years ended December 31, 2008 and 2007.

In considering the nature of the services provided by BKD, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with BKD and Company management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes Act, as well as the American Institute of Certified Public Accountants.

### AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITORS

The services performed by BKD in 2008 were pre-approved in accordance with the pre-approval policy and procedures adopted by the Audit Committee. This policy describes the permitted audit, audit-related, tax, and other services (collectively, the "Disclosure Categories") that BKD may perform. The policy requires that prior to the beginning of each fiscal year, a description of the services (the "Service List") expected to be performed by BKD in each of the Disclosure Categories in the following fiscal year be presented to the Audit Committee for approval.

Services provided by BKD during the following year that are included in the Service List were pre-approved following the policies and procedures of the Audit Committee.

Any requests for audit, audit-related, tax, and other services not contemplated on the Service List must be submitted to the Audit Committee for specific pre-approval and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings. However, the authority to grant specific pre-approval between meetings, as necessary, has been delegated to the Chairman of the Audit Committee. The Chairman must update the Audit Committee at the next regularly scheduled meeting of any services that were granted specific pre-approval.

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In addition, although not required by the rules and regulations of the SEC, the Audit Committee generally requests a range of fees associated with each proposed service on the Service List and any services that were not originally included on the Service List. Providing a range of fees for a service incorporates appropriate oversight and control of the independent auditor relationship, while permitting the Company to receive immediate assistance from BKD when time is of the essence.

The Audit Committee reviews the status of services and fees incurred year-to-date against the original Service List and the forecast of remaining services and fees for the fiscal year.

### OTHER BUSINESS

The Board knows of no other matters to be brought before the shareholders at the 2009 Annual Meeting. If other matters are properly presented for a vote at the Annual Meeting, the proxy holders will vote shares represented by properly executed proxies in their discretion in accordance with their judgment on such matters.

### SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

#### SHAREHOLDER PROPOSALS

In order for a shareholder proposal to be considered for inclusion in our Proxy Statement for next year's annual meeting, the written proposal must be received by the Company no later than November 27, 2009 and should contain the information required under our Bylaws. Such proposals also need to comply with the SEC's regulations regarding the inclusion of shareholder proposals in Company-sponsored proxy materials. No shareholder proposal from the floor will be considered at the annual meeting. In addition, if we receive notice of a shareholder proposal after November 27, 2009, the persons named as proxies in such proxy statement and form of proxy will have discretionary authority to vote on such shareholder proposal.

#### DIRECTOR NOMINATIONS

Glacier's Bylaws provide for the nomination of director candidates by its shareholders. In order to recommend that the Nominating Committee consider a person for inclusion as a director nominee in the Company's proxy statement for next year's annual meeting, we must receive a recommendation no later than November 27, 2009. In addition, the notice of recommendation must meet all other requirements contained in our Bylaws. Such recommendation should be sent to the attention of the Secretary of the Company, and should contain the following information: (a) the name and address of each proposed nominee and the number of shares of Glacier stock held by such nominee; (b) the principal occupation of each proposed nominee; (c) a description of any arrangements or understandings between the nominee and the nominating shareholder pursuant to which the nomination is being made; (d) your name and address; (e) the number of shares of stock of Glacier you own; and (f) a consent of the nominee agreeing to the nomination. The presiding officer of the annual meeting may disregard your nomination if it does not contain the above information and otherwise does not meet the requirements set forth in our Bylaws.

#### COPY OF BYLAW PROVISIONS

You may contact Glacier's Corporate Secretary for a copy of the relevant Bylaw provisions regarding the requirements for making shareholder proposals and nominating director candidates.

ANNUAL REPORT TO SHAREHOLDERS

ANY SHAREHOLDER MAY OBTAIN WITHOUT CHARGE A COPY OF OUR ANNUAL REPORT ON FORM 10-K FILED WITH THE SEC UNDER THE SECURITIES EXCHANGE ACT OF 1934 FOR THE YEAR ENDED DECEMBER 31, 2008, INCLUDING FINANCIAL STATEMENTS. Written requests for the Form 10-K should be addressed to LeeAnn Wardinsky, Corporate Secretary, at 49 Commons Loop, Kalispell, Montana 59901. The Annual Report is also available at www.glacierbancorp.com.

DELIVERY OF DOCUMENTS TO SHAREHOLDERS SHARING AN ADDRESS

In some cases, only one copy of this Proxy Statement is being delivered to multiple shareholders sharing an address unless we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written request, a separate copy of this Proxy Statement to a shareholder at a shared address to which a single copy of the document was delivered. To request a separate delivery of these materials now or in the future, a shareholder may submit a written or oral request to Glacier's Corporate Secretary at the address above, or by calling (406) 756-4200. Additionally, any shareholders who are presently sharing an address and receiving multiple copies of either the Proxy Statement or the 2008 Annual Report and who would rather receive a single copy of such materials may instruct us accordingly by directing their request to us in the manner provided above

March 27, 2009

BY ORDER OF THE BOARD OF DIRECTORS

/s/ LeeAnn Wardinsky

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LeeAnn Wardinsky, Secretary

ANNUAL MEETING OF SHAREHOLDERS OF

GLACIER BANCORP, INC.

APRIL 29, 2009

PROXY VOTING INSTRUCTIONS

TELEPHONE - Call toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call and use the Company Number and Account Number shown on your proxy card.

COMPANY NUMBER \_\_\_\_\_

Vote online/phone until 11:59 PM EST the day before the meeting.

ACCOUNT NUMBER \_\_\_\_\_

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

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NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of Meeting, Proxy S  
Card are available at - www.glacierbancorp.com

(Arrow) Please detach along perforated line and mail in the envelope provided IF y  
telephone or the Internet. (Arrow)

[X] 21000000000000000000 6

042909

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF DIREC  
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE

- 1. ELECTION OF DIRECTORS. To elect 10 directors to serve on the Board of Directors until the 2010 Annual Meeting of Shareholders.
- 2. Other Business. To properly come before or postponements.

- [ ] FOR ALL NOMINEES
  - [ ] WITHHOLD AUTHORITY FOR ALL NOMINEES
  - [ ] FOR ALL EXCEPT (See instructions below)
- NOMINEES:
- ( ) Michael J. Blodnick
  - ( ) James M. English
  - ( ) Allen J. Fetscher
  - ( ) Dallas I. Herron
  - ( ) Jon W. Hippler
  - ( ) Craig A. Langel
  - ( ) L. Peter Larson
  - ( ) Douglas J. McBride
  - ( ) John W. Murdoch
  - ( ) Everit A. Sliter

Management knows of no o  
or which are likely to b  
Meeting. However, if any  
presented at the Annual  
in accordance with the r

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here: [X]

To change the address on your account, please check the box at [ ] right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder \_\_\_\_\_ Date: \_\_\_\_\_ Signature of Stockholder \_\_\_\_\_

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held j  
When signing as executor, administrator, attorney, trustee or guardian, please give ful  
corporation, please sign full corporate name by duly authorized officer, giving full ti  
[X] is a partnership, please sign in partnership name by authorized person.

[ ]

GLACIER BANCORP, INC.

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PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of Glacier Bancorp, Inc. (the "Company") hereby appoints L. Pete each of them (with full power to act alone), my Proxies, with full power of substitution as Proxy Proxies to represent and to vote, as designated on the reverse side, all the shares of common stock the undersigned on March 2, 2009, at the Annual Meeting of Shareholders to be held on April 29, 2009, Annual Meeting.

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE)

[X]