

NORTHRIM BANCORP INC
Form DEF 14A
April 13, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. ___)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

3111 C Street
Anchorage, AK 99503

April 13, 2017

Dear Shareholder:

I am pleased to invite you to attend the Northrim BanCorp, Inc. (the "Company") Annual Shareholders' Meeting (the "Annual Meeting") where you will have the opportunity to hear about our 2016 operations and our plans for 2017. The Annual Meeting will be on Thursday, May 25, 2017, at 9 A.M. local time, at the Hilton Anchorage Hotel — 500 West Third Avenue in Anchorage, Alaska.

You will find additional information concerning the Company and our operations in the enclosed 2016 Annual Report and Form 10-K, which includes our audited financial statements for the year ended December 31, 2016.

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

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

Sincerely,

Joseph M. Beedle
Chairman

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

To Be Held on May 25, 2017

Notice is hereby given that Northrim BanCorp, Inc. (the "Company") will hold its 2017 Annual Shareholders' Meeting (the "Annual Meeting") at the Hilton Anchorage Hotel, 500 West Third Avenue, Anchorage, Alaska, at 9 A.M. local time, on Thursday, May 25, 2017 for the following purposes, as more fully described in the accompanying proxy statement:

- 1) To elect 11 directors nominated by the Company's Board of Directors (the "Board") for a term ending at the 2018 Annual Meeting or such other date as their successors may be elected and qualified;
- 2) To approve the Company's 2017 Stock Incentive Plan;
- 3) To approve, by non-binding vote, the compensation of named executive officers as disclosed in these materials;
- 4) To approve, by non-binding vote, the frequency of future advisory votes on executive compensation;
- 5) To ratify the selection of Moss Adams LLP as the Company's independent registered public accounting firm for fiscal year 2017; and
- 6) To transact any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Shareholders owning the Company's shares of common stock at the close of business on March 31, 2017 are entitled to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of that meeting.

The Board recommends that shareholders vote "FOR" the slate of nominees to the Board outlined in this proxy statement; "FOR" approval of the Company's 2017 Stock Incentive Plan; "FOR" the approval of the compensation of the Company's named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement; "FOR" approval of the frequency of "every year" for future advisory votes on executive compensation; and "FOR" the ratification of Moss Adams LLP as the Company's independent registered public accounting firm for the fiscal year 2017.

By order of the Board of Directors,

/s/ Michael Martin

Michael Martin
Corporate Secretary

April 13, 2017

Whether or not you plan to attend the Annual Meeting, please complete, sign and date the enclosed form of proxy and mail it promptly in the enclosed return envelope, which requires no postage if mailed in the United States.

Alternatively, you may vote using the Internet by following the instructions described in the enclosed proxy statement. Your vote is important to us. If you attend the Annual Meeting, you may vote your shares in person if you wish to do so even if you have previously sent in your proxy.

TABLE OF CONTENTS

Solicitation, Voting, and Revocability of Proxies	<u>1</u>
Q & A about Voting and the Annual Shareholder’s Meeting	<u>2</u>
Proposal 1: Election of Directors	<u>5</u>
Executive Officers	<u>11</u>
Compensation Discussion and Analysis	<u>13</u>
Executive Compensation	<u>20</u>
Section 16(a) Beneficial Ownership Reporting Compliance	<u>36</u>
Interest of Management in Certain Transactions	<u>36</u>
Security Ownership of Certain Beneficial Owners and Management	<u>37</u>
Relationship with the Independent Registered Public Accounting Firm	<u>39</u>
Committee Reports	<u>40</u>
Proposal 2: Approval of 2017 Stock Incentive Plan	<u>42</u>
Proposal 3: Advisory Vote on Executive Compensation	<u>47</u>
Proposal 4: Advisory Vote on the Frequency of an Advisory Vote on Executive Compensation	<u>47</u>
Proposal 5: Ratification of the Independent Registered Public Accounting Firm	<u>47</u>
Information Concerning Shareholder Proposals	<u>48</u>
Householding	<u>48</u>
2016 Report to Shareholders and Annual Report on Form 10-K	<u>48</u>
Other Matters	<u>49</u>
Exhibit A: Northrim BanCorp, Inc. 2017 Stock Incentive Plan	<u>50</u>
Exhibit B: Audit Committee Charter	<u>61</u>
Exhibit C: Compensation Committee Charter	<u>64</u>
Exhibit D: Governance and Nominating Committee Charter	<u>66</u>

NORTHRIM BANCORP, INC.

3111 C Street

Anchorage, Alaska 99503

PROXY STATEMENT

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

The Board set March 31, 2017, as the record date for the Annual Meeting. Shareholders who owned the Company's common stock on that date are entitled to vote at the Annual Meeting, with each share entitled to one vote. There were 6,909,865 shares of the Company's common stock outstanding on the record date.

Voting materials, which include this proxy statement dated April 13, 2017, a proxy card, the 2016 Annual Report and the Company's Annual Report on Form 10-K, are first being mailed to shareholders on or about April 13, 2017, unless the shareholder has elected electronic delivery. If the shareholder has elected electronic delivery, we have provided a notice of Internet availability of proxy materials which contains instructions on how to access proxy materials via the Internet or how to request a printed set of proxy materials. Additionally, this proxy statement, the 2016 Annual Report and the Company's Annual Report on Form 10-K are available at www.northrim.com by clicking the "Investor Relations" link. In accordance with Securities and Exchange Commission rules, our proxy materials posted on both our website and the website described below do not contain any cookies or other tracking features.

INTERNET AVAILABILITY OF PROXY MATERIALS

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

Regarding the Availability of Proxy Materials for the Annual Shareholders' Meeting
To be Held on May 25, 2017

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

QUESTIONS AND ANSWERS ABOUT VOTING AND THE ANNUAL SHAREHOLDERS' MEETING

Why am I receiving this proxy statement and proxy card?

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

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

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

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

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

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

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

The election of eleven (11) directors to serve on the Board until the 2018 Annual Meeting or until their successors have been elected and have qualified ("Proposal 1");

Approval of the Northrim BanCorp, Inc. 2017 Stock Incentive Plan ("Proposal 2");

A nonbinding advisory vote on the compensation of the named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this proxy statement ("Proposal 3");

A nonbinding advisory vote for the approval of the frequency of "every year" for future advisory votes on executive compensation ("Proposal 4"); and,

The ratification of Moss Adams LLP as the Company's independent registered accounting firm for 2017 ("Proposal 5").

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

Who is entitled to vote?

Only shareholders who owned the Company's common stock as of the close of business on the record date, March 31, 2017, are entitled to receive notice of the Annual Meeting and to vote the shares that they held on that date at the Annual Meeting, or any postponement or adjournment of the Annual Meeting.

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

Registered shareholders may vote in person at the Annual Meeting, on the Internet, or by mail.

Voting in Person. If you attend the Annual Meeting, you may vote as instructed at the Annual Meeting. However, if you hold your shares in street name (that is, through a broker/dealer or other nominee), you will need to bring to the Annual Meeting a proxy delivered to you by such nominee reflecting your share ownership as of the record date.

Voting on the Internet. Go to www.proxyvote.com and follow the instructions. You should have your proxy in hand when you access the website.

Voting by Mail. Complete, date, sign and mail the proxy in the enclosed postage pre-paid envelope. If you mark your voting instructions on the proxy, your shares will be voted as you instruct. Please see the proxy for voting instructions

If you own your shares through a brokerage account or in other nominee form, you should follow the instructions you receive from the record holder to see which voting methods are available. If your shares are registered in your own name and you attend the Annual Meeting, you may deliver your completed proxy card in person. "Street name" shareholders, that is, those shareholders whose shares are held in the name of and through a broker or other nominee, who wish to vote at the Annual Meeting will need to obtain a proxy from the institution that holds their shares. Your broker or nominee will generally provide you with the appropriate forms at the time you receive this proxy statement. If you own your shares through a broker or other nominee, you cannot vote in person at the Annual Meeting unless you receive a proxy card from the broker or nominee.

Each shareholder will be entitled to one vote for each share of common stock held of record by the shareholder on the record date, March 31, 2017. With regard to the election of directors, you may cast your vote in favor of some or all of the nominees, or you may withhold your vote for any nominee in the election of directors. Withheld votes will be excluded entirely from the vote and will have no effect on the outcome. On other proposals, you can "abstain." If you abstain, your shares will be counted as present at the Annual Meeting for purposes of that proposal and your abstention will have the effect of a vote against the proposal.

If shares are held in street name, the broker or nominee is permitted to exercise voting discretion under certain circumstances. At this meeting, if the broker or nominee is not given specific voting instructions, the shares may not be voted on Proposal 1, Proposal 2, Proposal 3, or Proposal 4 by the broker or nominee in their own discretion. If your shares are held in street name and you do not give instructions to your broker or nominee on how to vote them, the votes will be "broker non-votes," which will have the effect of excluding your vote from the tallies. However, in these cases, and in cases where the shareholder abstains from voting on a matter, those shares will be counted for the purpose of determining whether a quorum is present. We expect that brokers or nominees will be allowed to exercise discretionary authority for beneficial owners who have not provided voting instructions with respect to Proposal 5 to ratify the Company's selected independent registered public accounting firm, but abstentions will have the effect of a vote against the proposal.

If your shares are held in your own name and you do not vote, your shares will not be voted.

On each matter before the Annual Meeting, including the election of directors, shareholders are entitled to one vote for each share of common stock they held at the record date, March 31, 2017. Shareholders may not cumulate their votes for the election of directors.

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

It means that you hold shares in multiple accounts. Please complete and return all proxies (either by mail or over the Internet) to ensure that your shares are all voted in accordance with your instructions.

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

Yes. If the enclosed proxy is duly executed and received in time for the Annual Meeting, the persons named in the proxy will vote the shares represented by the proxy "FOR" the 11 nominees listed in the proxy statement, "FOR" the approval of the 2017 Stock Incentive Plan, "FOR" the approval of the compensation of the named executive officers, "FOR" the approval of the frequency of "every year" for future advisory votes on executive compensation, and "FOR" the ratification of the Company's independent registered public accounting firm. If you grant a proxy, you may revoke it at any time before its exercise by submitting a second proxy with a subsequent date either over the Internet or by mail to the attention of the Corporate Secretary at 3111 C Street Suite 200, Anchorage, Alaska 99503 or by announcing your revocation to the Corporate Secretary at the Annual Meeting prior to the taking of a shareholder vote. The shares represented by properly executed proxies that are not revoked will be voted in accordance with the specifications in such proxies.

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

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

For shareholders seeking to include proposals in the proxy materials for the 2018 Annual Meeting, the proposing shareholder or shareholders must comply with all applicable regulations, including Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the proposals must be received by the Corporate Secretary

of the Company on or before December 14, 2017. Upon receipt of such proposal, the Company will determine whether or not to include the proposal in its proxy materials for the 2018 Annual Meeting in accordance with applicable law. A shareholder that wishes to present a proposal at the 2018 Annual Meeting, but not submit such proposal for inclusion in our proxy statement for our 2018 Annual Meeting must submit such proposal

3

to the Corporate Secretary on or before March 1, 2018. Shareholder proposals should be sent to the attention of the Corporate Secretary, Northrim BanCorp, Inc., 3111 C Street Suite 200, Anchorage, Alaska 99503.

How many votes are needed to hold the Annual Meeting?

A majority of the Company's outstanding shares as of the record date (a quorum) must be present at the Annual Meeting in order to hold the Annual Meeting and conduct business. Shares are counted as present at the Annual Meeting if a shareholder is present and votes in person at the Annual Meeting or has properly submitted an executed proxy card either over the Internet or by mail. Broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting. As of the record date for the Annual Meeting, 6,909,865 shares of the Company's common stock were outstanding and eligible to vote.

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

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

How do I communicate with Directors?

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

PROPOSAL 1: ELECTION OF DIRECTORS

General

How many directors are nominated?

The Company's Articles of Incorporation provide that the Board will consist of not less than five (5) nor more than twenty-five (25) directors. Currently, the Board consists of twelve (12) directors, and the Board has set the number of directors to be elected at the Annual Meeting at eleven (11) as current director, Mr. Mark Copeland, does not intend to stand for reelection to the Board at the Annual Meeting. Directors are elected for a one (1) year term and serve until their successors have been elected and qualified.

Who are the nominees?

The Board has nominated the individuals listed on the following pages for election as directors for a one (1) year term expiring at the 2018 Annual Meeting or until their successors have been elected and qualified. If any nominee refuses or becomes unable to serve as a director before the Annual Meeting, the Board will select a replacement nominee, and your proxies will be voted for that replacement nominee. The Board presently has no knowledge that any nominee will refuse or be unable to serve.

It is the Company's policy to encourage director nominees up for election at the Annual Meeting to attend the Annual Meeting. All directors up for election at the 2016 Annual Meeting attended the 2016 Annual Meeting.

Information About the Nominees

The following table provides certain information about the nominees for director, including age, principal occupation(s), and public company directorships held during the past five (5) years, and year first elected a director of the Company. All of the nominees are presently directors of the Company and the Bank. Mr. Mark G. Copeland will be retiring from the Board as of the conclusion of the Annual Meeting. There are no family relationships among any of our current directors, director nominees, or executive officers. All of the nominees, with the exception of Messrs. Joseph M. Beedle and Joseph M. Schierhorn, are deemed by the Board to be independent within the meaning of currently applicable rules of the Securities and Exchange Commission and the Nasdaq Global Select Market listing requirements.

Name/Age	Occupation of Nominee During Past Five Years	Director Since
Joseph M. Beedle, 65	Chairman of the Company since January 2016, President and Chief Executive Officer of the Company since January 2015, Chairman of the Bank since January 2016. Executive Vice President of the Company from 2006 - 2015. Chief Executive Officer of the Bank from 2011 - 2015, President of the Bank from 2009 - 2015. Executive Vice President, Chief Lending Officer, of the Bank from 2006 - 2009.	2013
Larry S. Cash, 66	CEO, RIM Architects, LLC (Alaska, California, Guam and Hawaii) from 2016 to present. President and CEO, RIM Architects, LLC from 1986 to 2016.	1995
Anthony Drabek, 69	President and CEO, Natives of Kodiak, Inc. (Alaska Native Corporation) from 1989 until retirement in 2010; Chairman and President, Koncor Forest Products Co. from 1986 - 2011. Chief Executive Officer of International Tower Hill Mines, Ltd., an advanced exploration stage mining company, from 2017 - present; Alaska Chief Operating Officer of International Tower Hill Mines, Ltd., from 2015-2016; Alaska General Manager from 2010 - 2015;	1991
Karl L. Hanneman, 59	Director of Corporate Affairs from 2008 - 2010 for Teck Resources, Ltd., a mining and mineral development company; Director, Alaska Resource Education since 1990; Director, Alaska Mining Hall of Fame since 1997; Director, Resource Development Council since 1998; Director, Fairbanks Chamber of Commerce since 2011; Director, Usibelli Coal Mine, Inc. since 2011.	2014
David W. Karp, 50	President and CEO, Northern Aviation Services, Inc. since 2011; President and CEO, Northern Air Cargo, Inc. 2007 - 2011; National Air Carriers Association, member since 2009; Member of National Association of Corporate Directors since 2010; Director, Chairman of the Nominating and Corporate Governance Committee, and Member of the Compensation Committee of Alaska Communications Systems Group, Inc. since 2011.	2015
David J. McCambridge, 61	Audit Partner, KPMG LLP, from 1991 until retirement in 2010; Treasurer and Director, The Tanaka Foundation from 1985 to 2015; President and Director, Alaska Kidney Foundation since 1999.	2011
Krystal M. Nelson, 44	Chief Operating Officer, Bering Straits Native Corporation since 2014; 2007 - 2014, Vice President and Chief Operating Officer Ahtna Engineering Services; Trustee, Pacific Northern Academy Board since 2014.	2015
Joseph M. Schierhorn, 59	Executive Vice President of the Company since 2005 and Chief Operating Officer of the Company since 2013, Chief Financial Officer of the Company from 2001 - 2014 and Corporate Secretary of the Company from 2013 - 2015. Chief Executive Officer of the Bank since January 2016, President of the Bank since 2015, Chief Operating Officer of the Bank from 2013 - 2014, Chief Financial Officer of the Bank from 2001 - 2014, Executive Vice President of the Bank from 2005 - 2014, and Corporate Secretary of the Bank from 2013 - 2015.	2016
John C. Swalling, 67	President and Director, Swalling & Associates PC (accounting firm) since 1991; Director, Swalling Construction Co., Inc. since 1975.	2002 2014

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Linda C. Thomas, 63 Since 2016, Chief Executive Officer of the Alaska Brewing Company; 1994 - 2016, Vice President, Chief Operations Officer of the Alaskan Brewing Company; Director, Juneau Chamber of Commerce from 2002 - 2008 and 2013 - current; Director, Alaska Pacific Bancshares, Inc. 2010-2014; Director, Bartlett Regional Hospital, 2007 - current.
David G. Wight, 76 President, BP Amoco Energy Co. Trinidad and Tobago from 1992 - 2000; President and CEO Alyeska Pipeline Service Company from 2000 until retirement in 2005; Director, Storm Cat Energy (Denver based company) from 2006 - 2011; Insider/consultant, Saturn 2006 Ferrestol from 2014 to present. Director of Alaska Gasline Development Corporation from 2016 to present.

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

	Professional standing in chosen field	Expertise in financial services or related industry	Community involvement	Other Board experience	Other public company experience	Specific skills/knowledge:		
						Accounting	Legal	Business management
Joseph M. Beedle	x	x	x	x		x		x
Larry S. Cash	x		x	x				x
Anthony Drabek	x		x	x				x
Karl L. Hanneman	x		x	x				