BRYN MAWR BANK CORP
Form DEF 14A
March 20, 2015
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Section 1: DEF 14A (DEFINITIVE PROXY STATEMENT)

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

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

¨ Soliciting Material under §240.14a-12

Bryn Mawr Bank Corporation

(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 No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

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1. Amount previously paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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Dear Fellow Shareholders:

You are cordially invited to attend the 2015 annual meeting of shareholders of Bryn Mawr Bank Corporation, which will be held at St. Davids Golf Club, 845 Radnor Street Road, Wayne, PA 19087 on Thursday, April 30, 2015, at 11:00 A.M. At the annual meeting, shareholders will be asked to elect directors, approve our 2014 executive officer compensation in an advisory capacity, approve and adopt the Amended and Restated Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan, ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2015, and act upon such other business as may properly come before the meeting. This year, we will again be using the Notice and Access method of providing proxy materials to you via the Internet. We believe that this process provides you with a convenient and quick way to access the proxy materials while allowing us to conserve natural resources and reduce the costs of printing and distributing.

On or about March 20, 2015, we mailed to our shareholders an Important Notice Regarding the Availability of Proxy Materials, which we refer to as the Notice and Access card, containing instructions on how to access our proxy statement and our 2014 annual report to shareholders on Form 10-K and authorize a proxy to vote electronically via the Internet. The Notice and Access card also contains instructions as to how you can receive a paper or email copy of our proxy materials. It is important that your shares be represented at the annual meeting and voted in accordance with your wishes. Whether or not you plan to attend the meeting, we urge you to complete a proxy as promptly as possible by Internet, telephone or mail so that your shares will be voted at the annual meeting. This will not limit your right to vote in person or to attend the meeting.

2014 was a transformational year for Bryn Mawr Bank Corporation and The Bryn Mawr Trust Company with record earnings, the completion of two mergers and the successful transition of our leadership. In addition, a new five year Strategic Plan was finalized along with the implementation of the infrastructure projects to support the Plan and our future growth. Following four years of record earnings, 2014 saw our diversified revenue increase by 3%, net income increased by over 13% and diluted earnings per share increased to $2.01. Return on average assets finished the year at 1.32% and return on average equity was an outstanding 11.56%. The Corporation remains well capitalized.

In May, we announced that we were acquiring Continental Bank Holdings, Inc. Continental brings to Bryn Mawr not only $675 million in assets but also a seasoned lending team, a small business administration (SBA) lending group and strategically important branch locations, including our first branch in the City of Philadelphia. This acquisition closed on January 1, 2015. In October, we acquired the insurance advisory and brokerage firm of Powers Craft Parker & Beard, Inc. With over 92 years of successfully advising generations of families and business owners throughout our market area, Powers Craft provides an important foundation upon which we will be able to build our insurance services not only for our commercial banking clients but also, for our wealth management clients.

Last year also saw the important transition in leadership of the Corporation and the Bank. Ted Peters, who led Bryn Mawr for 14 years, retired as Chairman and CEO. We are very fortunate in having a smooth and orderly transition and we feel well positioned for the future. We want to thank Ted for his years of service and leadership as well as for our extraordinary growth during his tenure. In addition, we would like to thank Don Guthrie, who has been a Director since 2010, for his years of service. Don had previously served as the Chairman of First Keystone Financial, Inc. and First Keystone Bank. His sage advice was instrumental in the successful merger and integration of First Keystone into Bryn Mawr Trust.

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Looking forward, 2015 will be the year of integrating our acquisitions, continuing to invest in the infrastructure of the Corporation for future growth, starting to implement the new Strategic Plan and continuing to look for strategic opportunities that are in the best long term interests of the Corporation, its clients and its shareholders.

We thank you for your continued interest in the Corporation and the Bank.

Very truly yours,

Britton H. Murdoch	Francis J. Leto
Chairman	President & CEO

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BRYN MAWR BANK CORPORATION

801 Lancaster Avenue

Bryn Mawr, PA 19010-3396

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, APRIL 30, 2015

TO OUR SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of Shareholders of Bryn Mawr Bank Corporation (the Corporation) will be held at St. Davids Golf Club, 845 Radnor Street Road, Wayne, PA 19087 on Thursday, April 30, 2015, at 11:00 A.M., for the following purposes:

1. To elect four Class I directors;

2. To approve a non-binding advisory vote on executive officer compensation;

3. To approve and adopt the Amended and Restated Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan;

4. To ratify the appointment of KPMG LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2015; and

Such other business as may properly come before the meeting or any adjournment thereof.

Shareholders, whether or not they expect to be present at the meeting, are requested to authorize a proxy to vote their shares electronically via the Internet or by telephone or by completing and returning the proxy card accompanying this notice. Voting instructions are provided in the Important Notice Regarding the Availability of Proxy Materials, or, if you requested paper copies, the instructions are printed on your proxy card and included in the accompanying proxy statement. Any person giving a proxy has the power to revoke it at any time prior to the meeting and shareholders who are present at the meeting may withdraw their proxies and vote in person.

In their discretion, the proxies are authorized to act upon such other matters as may properly come before the meeting. See the Corporation s Proxy Statement for details about these proposals. Only shareholders of record at the close of business on March 12, 2015, are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement of the meeting.

By Order of the Board of Directors of

Bryn Mawr Bank Corporation

Geoffrey L. Halberstadt

Corporate Secretary

Bryn Mawr, PA

March 20, 2015

IMPORTANT NOTICE

To assure your representation at the Annual Meeting, please complete, date, sign, and promptly mail the enclosed proxy card in the return envelope, or submit your proxy by telephone or over the Internet by following the instructions found on the proxy card, so that your shares may be voted in accordance with your wishes and so that enough shares are represented to allow us to conduct the business of the Annual Meeting. If you mail your proxy card, no postage is necessary if mailed in the United States. Submitting your proxy by mail, telephone or over the Internet does not affect your right to vote in person if you attend the Annual Meeting, or to revoke your proxy at any time prior to its use for any purpose. Any shareholder who is present at the meeting may withdraw its proxy prior to use for any purpose and vote in person.

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PROXY STATEMENT

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PROXY STATEMENT

BRYN MAWR BANK CORPORATION

801 Lancaster Avenue

Bryn Mawr, PA 19010-3396

First Furnished to Shareholders on March 20, 2015

INFORMATION REGARDING THE ANNUAL MEETING OF SHAREHOLDERS

Matters to be considered at the Annual Meeting of Shareholders

This Proxy Statement is being furnished to shareholders of Bryn Mawr Bank Corporation (we, us, our or the Corporation) in connection with the solicitation of proxies by the Board of Directors of the Corporation for use at the Corporation s Annual Meeting of Shareholders to be held on Thursday, April 30, 2015, at 11:00 A.M. at St. Davids Golf Club, 845 Radnor Street Road, Wayne, PA 19087, or any adjournment or postponement of the meeting (the Annual Meeting). At the Annual Meeting, the shareholders will consider and vote upon the election of four Class I directors, a non-binding advisory vote on executive officer compensation, to approve and adopt the Amended and Restated Bryn Mawr Bank Corporation 2010 Long-Term Incentive Plan; and the ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the fiscal year ending December 31, 2015, and such other business as may properly come before the meeting or any adjournment thereof. The proxies are authorized to transact such other business as may properly come before the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Shareholders to be Held on April 30, 2015

This proxy statement and the Corporation s annual report to security holders are available at www.bmtc.com by clicking on About Us followed by Investor Relations and SEC Filings, or by going directly to www.snl.com/irweblinkx/docs.aspx?iid=100154.

Notice and Access

This year, we are using the Notice and Access method of providing proxy materials to you via the Internet instead of mailing printed copies. We believe that this process will provide you with a convenient and quick way to access the proxy materials, including our proxy statement and 2014 annual report to shareholders, and authorize a proxy to vote your shares, while allowing us to conserve natural resources and reduce the costs of printing and distributing the proxy materials.

Most shareholders will not receive paper copies of the proxy materials unless they request them. Instead, the Important Notice Regarding Availability of Proxy Materials, which we refer to as the Notice and Access card, which has been mailed to our shareholders, provides instructions regarding how you may access and review all of the proxy materials on the Internet. The Notice and Access card also instructs you how to submit your proxy via the Internet or telephone. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials printed on the Notice and Access card.

If your shares are held by a brokerage house or other custodian, nominee or fiduciary in street name, you will receive a Notice and Access card intended for their beneficial holders with instructions for providing to such intermediary voting instructions for your shares. You may also request paper copies of the proxy materials and provide voting instructions by completing and returning the enclosed voting instruction form in the addressed, postage paid envelope provided. Alternatively, if you receive paper copies, many intermediaries provide instructions for their beneficial holders to provide voting instructions via the Internet or by telephone. If your shares are held in street name and you would like to vote your shares in person at the Annual Meeting, you must contact your broker, custodian, nominee or fiduciary to obtain a legal proxy form from the record holder of your shares and present it to the inspector of election with your ballot.

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Record Date, Voting and Voting Procedures

Our Board has fixed the close of business on March 12, 2015, as the date for determining holders of record of our common stock, entitled to notice of, and to vote at, the Annual Meeting. Each shareholder is entitled to one vote per share on the matters to be considered at the Annual Meeting.

A quorum is the minimum number of shares required to be present at the Annual Meeting for the meeting to be properly held under our bylaws. The holders of a majority of the outstanding shares of our common stock, present either in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. As of March 12, 2015, there were 17,707,987 shares of our common stock outstanding. The shares for which shareholders abstain on one or more matters will be counted as present at the meeting for purposes of determining a quorum if the shareholder is physically present or if the shareholder has submitted a valid proxy for the shares, whether by Internet, telephone or executed paper proxy card. Broker non-votes will be counted as present at the meeting for purposes of determining a quorum so long as the shares are voted by the broker on at least one matter.

Shares represented by properly submitted proxies will be voted in accordance with the directions indicated in the proxies, unless those proxies have previously been revoked. If a properly submitted proxy does not give any voting directions, then that proxy will be voted in favor of the adoption of the proposals recommended by the Board, and in the discretion of the proxy agents on any other matters which may properly come before the Annual Meeting.

For purposes of the Annual Meeting, if a quorum is present, the Corporation s articles provide that each director shall be elected by a majority of the votes cast in person or by proxy for that position. Cumulative voting is not permitted. Withhold votes and broker non-votes will not count in determining the number of votes required to elect a director, and they will not count in favor of or against a director s election.

For the other proposals to be presented at the Annual Meeting, if a quorum is present, the Corporation s bylaws require the affirmative vote of a majority of the shares having voting powers and present in person or represented by proxy to approve the proposals. Abstentions and broker non-votes are not deemed to constitute votes cast and, therefore, do not count either for or against approval of a given proposal.

A shareholder may revoke a proxy at any time prior to its use for any purpose by giving written notice of revocation to our Corporate Secretary, Geoffrey L. Halberstadt, at our principal executive offices at 801 Lancaster Avenue, Bryn Mawr, PA 19010-3396. A shareholder may also appear in person at the Annual Meeting and ask to withdraw the proxy prior to its use for any purpose and can vote in person. A later dated proxy revokes an earlier dated proxy.

We do not know at this time of any business, other than that stated in this Proxy Statement, which will be presented for consideration at the Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting or with respect to any amendments or variations to the proposals described in this proxy statement.

Other Matters

We will bear the entire cost of soliciting proxies for the Annual Meeting. In addition to the use of the mails, proxies may be solicited by personal interview, telephone, telefax and e-mail, by our directors, officers and employees and those of our wholly-owned subsidiary, The Bryn Mawr Trust Company (which we refer to as the Bank). Arrangements have been made with brokerage houses and other custodians, nominees and fiduciaries for forwarding paper copies of our proxy materials, to beneficial holders of our common stock held of record by such persons, and we will reimburse such persons for their expenses in doing so.

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PROPOSAL 1 ELECTION OF DIRECTORS

One of the purposes of the Annual Meeting is the election of directors to our Board. The following directors have been nominated by our Board for election as a director to serve as follows:

Class I Term to Expire in 2019:

Michael J. Clement

Scott M. Jenkins

Jerry L. Johnson

A. John May

The persons named as proxies in the accompanying form of proxy have advised us that, unless otherwise instructed, they intend at the Annual Meeting to vote the shares covered by proxies for the election of the nominees named in this Proxy Statement. The proxies cannot be voted for a greater number of persons than the number of nominees named above. If a nominee should, at the time of the Annual Meeting, be unavailable or unable to serve as a director, the shares represented by the proxies shall be voted for such substitute as the Board may recommend. The Board knows of no reason why any nominee will be unavailable or unable to serve as director. We expect the nominees to be willing and able to serve as directors.

For director elections, a majority of the votes cast in person or by proxy for each such position is required to elect the applicable nominee. Proxies solicited by the Board will be voted FOR the nominees listed above, unless the shareholders specify a contrary choice in their proxies.

THE BOARD RECOMMENDS A VOTE FOR THE NOMINEES LISTED ABOVE.

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INFORMATION ABOUT OUR DIRECTORS

Our Directors

The following table sets forth certain information for each of our directors. Except as indicated below, each of the persons named below has been employed in their present principal occupation for the past five years.

Name, Principal Occupation and

Business Experience For Past Five Years

NOMINEES FOR DIRECTOR CLASS I

If elected, the terms of the following directors expires in 2019:

Michael J. Clement Age 65

Board Committee Membership: Audit, Compensation, and Risk Management

Mr. Clement has been a partner with the law firm of Wisler, Pearlstine, Talone, Garrity, & Potash, LLP, where he has been practicing law for over 30 years. He has represented financial institutions in connection with complex commercial and real estate lending transactions, real estate acquisitions, land planning and approval for branch banks, joint ventures and participations, as well as in commercial litigation. Mr. Clement also represents land developers and business entities in connection with land development, lending transactions and provides general legal services to these business entities and their officers, directors and managers. In addition to practicing law, Mr. Clement is a principal in a real estate development company and has participated in the development and management of housing projects, office buildings and general land development.

Mr. Clement was a director of Continental Bank Holdings, Inc. and Continental Bank until the Corporation acquired those institutions in early 2015. In addition to Mr. Clement s legal skills in the real estate, business and finance realm, he brings to the Board significant insight and relationships with the Bank s former Continental Bank customers and commercial real estate prospects in the new and existing communities served by the Bank.

Scott M. Jenkins Age 60

Board Committee membership: Audit (Chair and financial expert), Nominating and Corporate Governance, Risk Management

President, S. M. Jenkins & Co., a financial and management consulting firm since 1991; Director and Chairman of the Board of The Philadelphia Contributionship since 2002; Director of The Reinvestment Fund since 2000.

Mr. Jenkins has over 20 years of experience as President of his own financial management and consulting firm which provides services to publicly and privately held corporations, family groups and high net worth individuals. Mr. Jenkins extensive accounting and finance experience, coupled with his investment advisory experience, are valuable resources for our Board and Wealth Management Division.

Jerry L. Johnson Age 67

Board Committee membership: Audit, Risk Management (Chair), Wealth Management

Since February 2013, Mr. Johnson has served as the President and CEO of Heffler Advisors, LLC, an business consulting firm, and leads the consulting and business development initiatives of the company. From October 2010 to February 2013, Mr. Johnson was a Principal Partner at the accounting firm of Heffler, Radetich & Saitta, LLP, and a member of their Executive Committee from January 2012 to February 2013. From 2008 to August

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Name, Principal Occupation and

Business Experience For Past Five Years

2010, Mr. Johnson was the Vice Chairman, responsible for mergers and acquisitions, activities and growth initiatives for PRWT Services, Inc., a business services company. Prior to that, he was the Chairman of Radnor Trust from 2002 to 2006, and Chairman of RTC Holding from 2006 to 2009.

Mr. Johnson is executive partner and chairman of Axum Partners, LLC a business advisory firm, serves on the boards of Coriell Institute, a non-profit medical research center and NewDay USA, a mortgage company serving the Nation s Veterans. Mr. Johnson was a member of the board of directors of the Union League of Philadelphia from 2011 to 2013.

Mr. Johnson brings to the Board significant public company, corporate and business related experience. His background in the financial services and telecommunications industries, as well as his activities and business contacts, provide valuable insight and networks within the local and regional business communities.

A. John May Age 59

Board Committee Membership: Wealth Management, Risk Management, Nominating and Corporate Governance

Mr. May has been a partner in the commercial lending department of the law firm of Pepper Hamilton, LLP, since 1981. The practice is concentrated primarily in mergers and acquisitions, corporate finance, and corporate/partnership governance issues. The corporate finance practice includes representing issuers in public and private equity and debt offerings, including venture capital, mezzanine, traditional secured and unsecured financings, and municipal financings.

Mr. May was a director of Continental Bank Holdings, Inc. and Continental Bank until the Corporation acquired those institutions in early 2015. In addition to Mr. May s legal skills in the business and finance realm, he brings to the Board significant insight and relationships with the Bank s former Continental Bank customers and lending prospects in the new and existing communities served by the Bank.

CONTINUING DIRECTORS CLASS II
The terms of the following directors will expire in 2016:

Andrea F. Gilbert Age 62

Board Committee membership: Compensation (Chair), Executive, Nominating and Corporate Governance

President, Bryn Mawr Hospital since 2002.

As President of Bryn Mawr Hospital, Ms. Gilbert has responsibility for the day-to-day operations, strategic planning, fundraising, recruitment of leadership personnel and physicians, and hospital clinical outcomes of a $300 million organization which employs approximately 2,000 people. With 35 years of experience in health care management, Ms. Gilbert brings to the Board an extensive background and experience level in governance, risk management, compensation and benefits, marketing, organizational management and financial planning.

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Name, Principal Occupation and

Business Experience For Past Five Years

Lynn B. McKee Age 59

Board Committee membership: Compensation, Risk Management, Nominating and Corporate Governance

Lynn McKee is Executive Vice President, Human Resources for ARAMARK (a national leader in food, facilities and uniform services), a position she has held since 2004, currently has Board level responsibilities for all human resources issues at ARAMARK, including compensation, benefits, talent management and labor and employee relations, and is the point person for all matters related to ARAMARK s Executive Leadership Council. Since joining ARAMARK in 1980, Ms. McKee has served in a number of key positions at the corporate level including Director of Employee Relations, Vice President Executive Development and Compensation and Senior Vice President Human Resources, ARAMARK Global Food, Hospitality and Facility Services. Ms. McKee is a member of the HR 50 and the Conference Board s Advisory Council of Human Resources Management. Ms. McKee also serves on the Board of Trustees for Saint Joseph s University. Ms. McKee was appointed by Philadelphia s Mayor Michael Nutter to the Board of Philadelphia Works.

Ms. McKee brings to the Board extensive corporate level and day-to-day experience in employment, compensation and benefits matters at the regional, national and international levels.

CONTINUING DIRECTORS CLASS III

The terms of the following directors will expire in 2017:

Wendell F. Holland Age 63

Board Committee membership: Compensation, Executive, Nominating and Corporate Governance (Chair), Audit

Partner at CFDS Group, LLC a financial advisory firm to the public utility industry, since September 2013. From September 2008 to September 2013, a Partner with Saul Ewing LLP; Chairman & Commissioner, Pennsylvania Public Utility Commission September 2003 to June 2008; and Director of Aqua America, Inc. since August 2012.

Mr. Holland has more than 30 years of national and international experience as a business and energy lawyer and is currently a partner at CFSD Group, LLC. He has previously served as both the Chairman and the Commissioner of the Pennsylvania Public Utility Commission. Mr. Holland has been on our Board since 1997, and provides a unique perspective on legal and regulatory matters, as well as issues in the public arena at the local, state and regional levels.

Frederick C. Peters II Age 65

Board Committee membership: Executive, Wealth Management

Chairman and Chief Executive Officer of Bluestone Financial Institutions Fund since January 2015; Chairman, President and Chief Executive Officer of the Corporation and the Bank from 2001 through December 2014; Director of Paycom Software, Inc., a New York Stock Exchange listed human resources technology provider, since February 2014; Principal Partner Lowry s Lane Capital LLC; Director of Bryn Mawr Film Institute.

Mr. Peters has over 38 years of experience in the banking industry. His role as former Chief Executive Officer of Bryn Mawr Bank Corporation and The Bryn Mawr Trust Company brings to the Board comprehensive insight and knowledge of our history and operations.

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Name, Principal Occupation and

Business Experience For Past Five Years

David E. Lees Age 54

Board Committee membership: Compensation, Executive, Wealth Management (Chair)

Senior Partner, my CIO Wealth Partners, LLC, a wealth advisory firm, since July 2005; Partner and National Director of Ernst & Young s Wealth Advisory Service Practice from December 1996 to June 2005; Partner, Renaissance Equity Fund since August 2005; Adjunct Professor of Finance & Portfolio Management in Villanova University s Commerce & Finance Department from January 2000 to May 2005.

Mr. Lees has significant experience in the financial services and wealth management arena as a Senior Partner of my CIO Wealth Partners, and a former partner and National Director of Ernst & Young s Wealth Advisory Service Practice. Mr. Lees experience as a nationally recognized wealth and investment advisor provides valuable insight for the wealth management and financial sectors for our Board and our Wealth Management Division.

CONTINUING DIRECTORS CLASS IV

The terms of the following directors will expire in 2018:

Francis J. Leto Age 55

Board Committee membership: Executive, Risk Management, Wealth Management

President since May 1, 2014, and Chief Executive Officer since January 1, 2015. Chief Operating Officer from May 1, 2014 through December 31, 2014. Executive Vice President and head of the Bank s Wealth Management Division from January 2009 through April 2014; General Counsel of the Bank from April 2012 to April 2014.

As the Corporation s and the Bank s President and Chief Executive Officer, Mr. Leto brings to the Board comprehensive knowledge of our operations. Mr. Leto s background as a lawyer, his many years of experience in real estate matters, title insurance, and business development, along with his service to several local foundations and non-profits, has allowed him to develop many relationships in the greater Philadelphia area which foster good relations between the Bank and the community in general.

Britton H. Murdoch Age 57

Board Committee membership: Audit (financial expert), Executive (Chair), Wealth Management

Chairman of the Boards of Directors of the Corporation and the Bank since January 1, 2015. Lead director of the Boards of Directors of the Corporation and the Bank from 2009 through 2014. Managing Director of Strattech Partners, LLC, a business consulting and venture capital firm since January 2000; Principal and Senior Adviser of Rittenhouse Ventures II, LP; Chief Executive Officer, BMW of the Main Line from July 2006 to December 2012; member of the Board of Trustees since 2008 and head of Finance Committee for Thomas Jefferson University; principal of Bala Properties West LLC, a dealership real estate holding company, since July 2010.

Mr. Murdoch s years of experience as chief financial officer of Airgas, Inc., a New York Stock Exchange publicly traded company, from 1990 to 1996, provide the Board with the perspective of someone with direct responsibility for financial and accounting issues. Mr. Murdoch has been a Trustee of Thomas Jefferson University since 2008, and is chairman of their Finance Committee. Mr. Murdoch also served as a director of Susquehanna Patriot Bank for eight years, and as a bank commercial lender and Vice President at the former Corestates Bank. He also manages his own companies and is the founder and managing director of a business consulting and venture capital firm. Mr. Murdoch has extensive experience in the field of mergers and acquisitions, and his finance experience and leadership skills make him a valuable resource to our Board.

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INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Below is certain information with respect to the non-director executive officers of the Corporation and Bank as of March 20, 2015:

Alison E. Gers, 57, Chief Operating Officer. Ms. Gers was employed by the Bank in 1998 as Senior Vice President of Marketing. Ms. Gers was appointed Executive Vice President of the Bank in 2001. Since joining the Bank, Ms. Gers has held various positions. As of September 2005, Ms. Gers became responsible for the Community Banking Division, marketing, technology and information services and operations, in 2013, assumed responsibilities for Human Resources, and in 2014 assumed responsibilities for Facilities. On February 25, 2015, Ms. Gers was appointed to the position of Chief Operating Officer of the Bank.

Geoffrey L. Halberstadt, 58, Secretary of Corporation and Executive Vice President, Secretary and Chief Risk Officer of the Bank. Mr. Halberstadt was employed by the Bank in 1991 as Vice President in the Construction Loan department and has held many positions over the years including Senior Vice President and Risk Management Officer of the Bank, Vice President of the Corporation and Chief Credit Policy Officer of the Bank. In April 2010, Mr. Halberstadt was appointed to his current position of Executive Vice President and Chief Risk Officer of the Bank and Secretary of the Corporation and the Bank.

Joseph G. Keefer, 56, Executive Vice President of Bank Chief Lending Officer. Mr. Keefer was employed by the Bank in 1991 as Vice President and Commercial Lending manager. Mr. Keefer was named the Bank s Chief Lending Officer in December 1997. In February 2001, Mr. Keefer was appointed Executive Vice President and Chief Lending Officer of the Bank.

Harry R. (Gary) Madeira, 60, Executive Vice President of the Bank Wealth Management. Mr. Madeira became an Executive Vice President of the Bank and head of the Bank s Wealth Management Division on September 2, 2014. Prior to joining the Bank, since 1984, Mr. Madeira was with Brown Brothers Harriman & Co., most recently serving as a Senior Vice President with responsibility for managing client relationships and new business development.

J. Duncan Smith, CPA, 56, Treasurer and Chief Financial Officer of Corporation and Executive Vice President, Treasurer & Chief Financial Officer of Bank. Mr. Smith has been employed by the Corporation since April 2005 as Treasurer and Chief Financial Officer of the Corporation and as Executive Vice President, Treasurer and Chief Financial Officer of the Bank. Mr. Smith is a Certified Public Accountant, licensed in the Commonwealth of Pennsylvania.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists the beneficial ownership of shares of our common stock as of March 12, 2015 (except as otherwise indicated), for each of our directors, director nominees, certain executive officers and the persons known to us who may be beneficial owners of more than 5% of our common stock. The table also shows the total number of shares owned by the directors, director nominees and executive officers as a group.

Name	Common Stock[(1)]	Exercisable Stock Options[(2)]	Percent of Outstanding Stock
Current Directors and Nominees[(3)]			
Michael J. Clement	25,770		*
Andrea F. Gilbert	13,147	18,475	*
Donald S. Guthrie[(9)]	81,484		*
Wendell F. Holland	10,352	11,475	*
Scott M. Jenkins	6,563	14,100	*
Jerry L. Johnson	4,710		*
David Lees	20,321	11,475	*
A. John May	12,048		*
Lynn B. McKee	1,227		*
Britton H. Murdoch	22,221	10,832	*
Frederick C. Peters II	41,336	83,000	*
Named Executive Officers[(3)]			
Alison E. Gers	16,095[(5)]	41,500	*
Joseph G. Keefer	15,171[(6)]	41,500	*
Francis J. Leto	25,044	23,764	*
J. Duncan Smith	12,906[(4)]	9,000	*
All Directors and Executive Officers as a Group (17 persons)	323,528	284,796	3.44%
5% Owners			
Fulton Financial Corporation One Penn Square Lancaster, PA 17602	970,062[(7)]		5.48%
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	916,294[(8)]		5.17%
Ameriprise Financial, Inc. as parent of Columbia Management Investment Advisers, LLC	896,837[(8)]		5.06%

145 Ameriprise Financial Center Minneapolis, MN 55474		
Champlain Investment Partners, LLC 180 Battery Street Burlington, VT 05401	939,425(8)	5.31%

* Less than one percent.

(1) Certain of our directors have elected to defer their fees and stock awards through our Deferred Payment Plans for Directors. Among other options, under these plans, a director may elect to earn a yield on the deferred compensation based on changes in the price of our common stock (including dividends). Making this election creates phantom stock. Deferred fees which would otherwise be paid in the form of shares of our common stock are automatically converted to phantom stock units under the plans for at least one year.

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A share of phantom stock is economically equivalent to one share of common stock, but the directors do not have the present right to receive an actual share of stock or to vote the phantom stock unit. At such time as a director is entitled to receive a distribution of his account balance under the plan, he can elect to receive a distribution either in cash or shares of stock, as he directs. The below chart shows the number of shares of phantom stock outstanding for our directors as of March 12, 2015. Taking the number of shares of phantom stock held by directors into account together with the total security ownership of such persons as represented in the beneficial ownership table above, the applicable directors hold the economic equivalent of 3.60% of the Corporation s stock (including exercisable stock options).

Name	Phantom Stock Held
Michael J. Clement	99
Wendell F. Holland	986
Scott M. Jenkins	21,463
David E. Lees	6,640
A. John May	99

For additional information, see the section entitled DIRECTOR COMPENSATION Directors Deferred Payment Plans at page 20, and EXECUTIVE COMPENSATION Nonqualified Deferred Compensation Deferred Bonus Plan for Executives at page 42.

(2) Stock ownership information includes shares that the individual has the right to acquire within sixty days of April 1, 2015. Each executive officer holds sole investment power over shares held for such executive officer in our 401(k) Plan. Unless otherwise indicated, each person has sole voting and investment power over the shares listed. There are no pledged shares.

(3) The address for our directors and named executive officers is c/o Bryn Mawr Bank Corporation, 801 Lancaster Avenue, Bryn Mawr, PA 19010-3396.

(4) Includes 4,051 shares held for Mr. Smith in the 401(k) Plan, determined as of March 12, 2015.

(5) Includes 7,875 shares held for Ms. Gers in the 401(k) Plan, determined as of March 12, 2015.

(6) Includes 11,446 shares held for Mr. Keefer in the 401(k) Plan, determined as of March 12, 2015.

(7) Share total as of October 31, 2012, as reported on Schedule 13G by such shareholder.

(8) Share total as of December 31, 2014, as reported on Schedule 13G by such shareholder.

(9) Mr. Guthrie will retire as a director of the Corporation and the Bank upon the expiration of his term immediately following the Annual Meeting.

CORPORATE GOVERNANCE

Introduction

All of our directors serve as directors of our subsidiary, The Bryn Mawr Trust Company, and serve on the same committees of each organization. Five of our directors also serve on the Bank s Wealth Management Committee.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics (Code of Ethics). The Code of Ethics is available on our website at www.bmtc.com on the Investor Relations Governance Documents page under the *Code of Business Conduct and Ethics* heading. Amendments to and waivers from the Code of Ethics will also be disclosed on our website. Printed copies are available to any shareholder upon request. The Code of Ethics meets the requirements for a code of ethics for our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions under Item 406 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act).

Under our Code of Ethics, the Board is responsible for resolving any conflict of interest involving the directors, executive officers and senior financial officers. The President and the Corporate Secretary are responsible for resolving any conflict of interest involving any other officer or employee.

Director Independence

The Board has determined that all of its members during 2014 were independent and met the independence requirements of the Nasdaq Stock Market, including the independence requirements for any committee on which such director served, except for Frederick C. Peters II, Francis J. Leto and Donald S. Guthrie. In determining the independence of its directors other than Mr. Peters, Mr. Leto and Mr. Guthrie during 2014, the Board of Directors considered routine banking transactions between the Bank or its affiliates and each of the directors, their family members and businesses with whom they are associated, such as loans, deposit accounts, wealth management and fiduciary accounts, routine purchases of insurance or securities brokerage products, any overdrafts that may have occurred on deposit accounts, any payments made to companies with which they are associated, any contributions the Corporation made to non-profit organizations with whom any of the directors are associated, and any transactions described below in the section of this Proxy Statement under the heading TRANSACTIONS WITH RELATED PERSONS at page 50. In each case, the Board of Directors determined that none of the transactions, relationships or arrangements impaired the independence of the director.

Board Leadership Structure

As of January 1, 2015, the positions of Chairman of the Board and Chief Executive Officer (CEO) were separated, and as such, the position of Lead Director was eliminated. Britton H. Murdoch, the former Lead Director, is the Chairman of the Board of Directors, and Francis J. Leto is the President and CEO. The CEO is responsible for setting the strategic direction, day-to-day leadership and performance for the Corporation and the Bank while the Chairman maintains frequent contact with and provides guidance to the CEO, sets the agenda for Board meetings and presides over meetings, acts as a liaison between management and non-management directors, and facilitates teamwork and communication between non-management directors and management. By maintaining the separate positions of Chairman and CEO, the Board believes it enhances its ability to provide strong, independent oversight of the Corporation s and the Bank s management and affairs. In addition, the separation of the Chairman of the Board and CEO positions allows the CEO to better focus his efforts on strengthening our franchise and increasing shareholder value.

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Risk Oversight

The Board believes that establishing the right tone at the top and full and open communication between management and the Board of Directors are essential for effective risk management and oversight. Our President and CEO meets regularly with other executive officers to discuss strategy and risks facing the Corporation. Executive management attends the quarterly Board meetings and is available to address any questions or concerns raised by the Board on risk management-related and other matters. Each quarter, the Board of Directors receives presentations from executive management on strategic matters, key challenges, and risks and opportunities for the Corporation.

The Board plays an active role, as a whole and also at the committee level, in overseeing management of the Corporation s risks. The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to areas of financial reporting, internal controls and compliance with accounting regulatory requirements. In accordance with Nasdaq Stock Market requirements, the Audit Committee discusses policies with respect to risk assessment and risk management with the Board. Reports addressing these responsibilities are regularly provided by management to the Audit Committee. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to our compensation policies and incentive programs. The Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization and membership, succession planning for our directors, and corporate governance. The Risk Management Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks related to the Bank s credit portfolio, asset and liability management, investment portfolio, information technology, various consumer regulatory matters, insurance coverage, and associated risks. The Wealth Management Committee assists the Board in fulfilling its risk oversight responsibilities with respect to the management of the risk associated with the Wealth Management Division s fiduciary, investment, custodial and brokerage activities.

Communications with Directors

Our Board of Directors provides a process for shareholders to send communications to the Board. Shareholders may communicate directly with any member or committee of our Board in writing by mailing the communication, first class mail, postage prepaid, to Bryn Mawr Bank Corporation, Board of Directors, P.O. Box 351, Bryn Mawr, PA, 19010-3396. A member of the audit department routinely checks and distributes mail sent to this post office box directly to the intended recipient(s).

Policy for Attendance at Annual Meeting

We have adopted a policy requiring all of our directors to attend our annual meeting. All of our directors attended our 2014 annual meeting.

Executive Sessions of Independent Directors

The independent members of our Board have in the past held, and will continue their practice in 2015 of holding, scheduled executive sessions on a regular basis but, in any event, not less than twice a year. Executive sessions were held at the conclusion of each meeting of the Board of Directors in 2014.

Director Retirement Guideline

The Board has adopted, at the recommendation of the Nominating and Corporate Governance Committee, a governance guideline that requires directors to retire from the Board on the eve of the annual meeting in the calendar year following the year in which the director turns seventy (70) years of age.

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Nominations for Directors

The Nominating and Corporate Governance Committee considers candidates for director nominations from various sources including other directors, our clients and other relevant constituencies, and may also engage, if it deems appropriate, a professional search firm. For incumbent directors whose terms of office are set to expire, it reviews the directors overall service to the Corporation during their terms, including the number of meetings attended, level of participation, quality of performance and their respective contributions towards advancing our interests and enhancing shareholder value. For a new director candidate, the committee reviews the candidate s biographical information and qualifications and may check the candidate s references, if applicable. The committee may obtain any additional information which it deems necessary. A qualified nominee will be interviewed by all members of the committee, if practicable. Serious candidates may meet with all members of the Board. Using the input from the interviews and information obtained, the committee evaluates whether a prospective candidate is qualified to serve as a director and whether it should recommend to the Board that the Board nominates (or select to fill a vacancy) the prospective candidate.

The Nominating and Corporate Governance Committee will use a similar process to evaluate nominees recommended by shareholders, provided that the shareholder complies with the procedures set forth below. The committee will consider written proposals from shareholders for nominees for director. Any nomination should be addressed to the Chairman, Nominating and Corporate Governance Committee, Board of Directors, Bryn Mawr Bank Corporation, P.O. Box 351, Bryn Mawr, PA 19010-3396 and must include the following information: (a) the name and address, as they appear on our books, of the shareholder nominating a candidate; (b) the number of our shares which are beneficially owned by the shareholder (and if the shares are held in street name, the name of the brokerage firm holding the shares); (c) the name, age, business address and residence address of each proposed nominee; (d) the principal occupation or employment of the proposed nominee; (e) the number of shares of our stock beneficially owned by the proposed nominee, if any; (f) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other persons pursuant to which the shareholder is making the nomination, and (g) any other information required to be disclosed in solicitation of proxies for election of directors or other information required pursuant to Regulation 14A under the Exchange Act, relating to any person that the shareholder proposes to nominate for election or re-election as a director, including the proposed nominee s written consent to being named in the proxy statement as a nominee and to serving as a director, if elected.

All shareholder nominations must be received not less than 120 days before the date our proxy statement was released to shareholders in connection with the previous year s annual meeting.

In evaluating candidates for nominees for director, the committee considers:

- our need for particular talents and experience;
- that at least a majority of the directors be independent under the Nasdaq Stock Market rules; and
- the requirement that our Audit Committee meet the financial literacy requirements under the Nasdaq Stock Market rules and that at least one of them qualifies as an Audit Committee financial expert under the rules of the Securities and Exchange Commission (the SEC).

In addition, members of the Board should also:

be of the highest ethical character;

share our values;

have reputations, both personal and professional, consistent with our image and our reputation;

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- be active in or former leaders of organizations;
- possess knowledge in the fields of financial services and wealth management;
- have an understanding of the Bank s marketplace;
- have relevant expertise and experience which will be useful in offering advice and guidance to the CEO;
- be independent of any particular constituency; and
- be able to represent all of our shareholders.

Nominees for director must also be willing to commit the necessary time to devote to Board activities and to enhance their knowledge of the financial services industry and be willing to assume broad fiduciary responsibility. Nominees for director should have a commitment to enhancing shareholder value, including assisting in business development activities where appropriate. A nominee for director must be or become a shareholder upon joining the Board. Application of the above criteria may vary according to the particular areas of expertise desired to complement the existing composition of the Board.

In considering nominees for director, the committee also considers the Board s desire to be a diverse body with diversity reflecting gender, ethnic background and professional experience. The Bank s diversity policy is designed to create and foster a supportive and understanding environment in which all individuals realize their maximum potential, regardless of their differences. Our goal is to ensure that in carrying out our activities, we promote equality of opportunity across all activities, promote good relations between people of diverse backgrounds, and avoid unlawful discrimination.

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OUR BOARD OF DIRECTORS

Our bylaws provide that our business will be managed by a Board of Directors of not less than eight and not more than twelve directors, as fixed from time to time by the Board of Directors. Our Board, as provided in the bylaws, is divided into four classes of directors, with each class being as nearly equal in number as possible. Assuming the nominees for director are elected at the Annual Meeting, immediately following the Annual Meeting there will be eleven (11) directors with four (4) members in Class I, two (2) members in Class II, three (3) members in Class III, and two (2) members in Class IV. The Corporation and the Bank have the same Board members.

Under our bylaws, persons selected by the Board to fill a vacancy serve as directors for a term expiring with the next annual meeting of shareholders. If a director is selected by the Board on or after the record date for an annual meeting, then the new director serves as a director until the subsequent annual meeting of shareholders. Each class of directors serves a four year term. Directors remain in their positions until their successors are elected and take office.

In 2014, our Board of Directors met six (6) times. Each director attended at least 75% of the Board meetings held during 2014 and at least 75% of the committee meetings that were held by the committees on which he or she served during 2014.

Information about Committees of our Board of Directors

Our Board had five standing committees during 2014. They are the Executive, Nominating and Corporate Governance, Risk Management, Audit and Compensation Committees. Effective in January 2015, an IT Steering Committee was officially formed. The Corporation and the Bank have the same committees with the same members for each committee, except that the Bank also has a Wealth Management Committee.

Executive Committee

The Executive Committee meets to discuss and act upon matters which require action during periods between meetings of our Board. The Executive Committee exercises the authority and powers of the Board at intervals between meetings of the full Board as permitted by law. During 2014, the committee held eight (8) meetings. The Bank s Executive Committee also meets to ratify and approve certain of the Bank s loans to customers.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee has responsibility for identifying and evaluating candidates for director and recommending the nomination of directors to the full Board. The committee also assists the Board in interpreting and applying corporate governance guidelines, reviews and assesses the adequacy of our corporate governance guidelines, our personal codes of conduct and related internal policies and guidelines, and recommends any proposed changes to the Board for approval. The committee has a charter which is available on our website at www.bmtc.com on the Investor Relations Governance Documents page under the heading *Nominating and Corporate Governance Committee Charter*. Each member of the committee is independent as defined by Nasdaq Stock Market rules. During 2014, the committee held six (6) meetings.

Risk Management Committee

The Risk Management Committee meets to review and manage the material business risks which confront us. The committee establishes and monitors policies and procedures designed to lead to an understanding of, and to identify, control, monitor and measure, our material business risks. Those risks include loan quality and concentration, interest rate and market risk, information technology risk, compliance risk, and liquidity risk. During 2014, the committee held eight (8) meetings.

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Audit Committee

The Audit Committee meets at least quarterly. It has general oversight responsibilities regarding our financial reporting process and internal controls. The committee selects and evaluates the qualifications and performance of the independent registered public accounting firm. The committee meets with the internal auditor to review audit programs and the results of audits of specific areas, as well as other accounting regulatory compliance issues. In addition, the committee meets with the independent registered public accountant to review the results of the annual audit and other related matters. Further, the committee meets with the Chief Financial Officer to review accounting regulatory compliance issues. Each member of the committee is independent and financially literate as those terms are defined by the Nasdaq Stock Market for Audit Committee members. The committee held five (5) meetings in 2014. Our Board has determined that Scott M. Jenkins and Britton H. Murdoch, each independent directors, are financial experts as defined by the regulations of the SEC. The Audit Committee has a charter which is available on our website at www.bmtc.com on the Investor Relations Governance Documents page under the heading *Audit Committee Charter*.

Compensation Committee

The Compensation Committee is responsible for recommending to the full Board our compensation practices and for administering those practices. Each member of the committee is independent as defined by the Nasdaq Stock Market for Compensation Committee members. During 2014, the committee held five (5) meetings. The committee has a charter which is available on our website at www.bmtc.com on the Investor Relations Governance Documents page under the heading *Compensation Committee Charter*.

The Compensation Committee determines the salary and bonuses for our executive officers, and is responsible for setting and administering the policies for our equity incentive programs. Among other responsibilities discussed in the Compensation Committee Charter, the committee has the responsibility to:

- annually review and approve corporate goals and objectives for the compensation of the CEO; evaluate the CEO s performance; and determine and approve the compensation and benefits to be paid to the CEO;
- annually review and discuss with the CEO the performance of all other executive officers; evaluate their performance; and determine and approve the compensation and benefits to be paid to them;
- review and recommend to the full Board the compensation for non-employee directors;
- administer equity incentive award programs and determine the awards to be granted under those programs; and
- review and provide, if appropriate, recommendations to the full Board regarding compensation and benefit policies, plans and programs.

Unless subject to an established schedule in accordance with past practice, the Compensation Committee will not generally grant equity incentive awards except during a period when trading is open (not blacked-out) in the Corporation s common stock by our executive officers and directors under our Securities Trading Policy. Under our current policies, that period generally begins on the third business day after quarterly earnings are released and ends fifteen days prior to the close of the next fiscal quarter. Only the committee, not management, determines the timing of equity incentive awards. The Compensation Committee issued equity awards to the named executive officers in the first quarter of 2015 and expects to continue this practice in subsequent years as part of the annual executive compensation review and determination process.

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The Compensation Committee has the authority to hire third party consultants for compensation matters and the authority to review and approve any third party consultants recommended or hired by management. For more information regarding the Compensation Committee s use of consultants, see COMPENSATION DISCUSSION AND ANALYSIS Benchmarking Data and Use of Compensation Consultants on page 30 of this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee was an officer or employee of the Corporation or any of its subsidiaries during the year 2014 or during prior years. None of the members of the Compensation Committee had any relationship requiring disclosure pursuant to Item 404 of Regulation S-K under the Exchange Act nor any other interlocking relationships as defined by the SEC.

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DIRECTOR COMPENSATION

The table below summarizes the compensation paid to non-employee directors for the fiscal year ended December 31, 2014.

Name(1)	Fees Earned or Paid in Cash ($)(7)	Stock Awards ($)(2)(3)	All Other Compensation ($)(4)	Total ($)
Andrea F. Gilbert	35,500	35,069	3,336	73,905
Donald Guthrie	31,000	35,069	3,336	69,405
Wendell F. Holland(5)	44,000	35,069	3,336	82,405
Scott M. Jenkins(5)(6)	45,750	35,069	3,336	84,155
Jerry L. Johnson	41,250	35,069	3,336	79,655
David R Lees(5)	40,250	35,069	3,336	78,655
Lynn B. McKee	27,000	35,069	1,401	63,470
Britton H. Murdoch	65,250	45,062	5,188	115,500

(1) Frederick C. Peters II and Francis J. Leto are not included in this table as they were employees of the Corporation and the Bank in 2014 and thus received no compensation for their service as directors. Compensation information for each of Messrs. Peters and Leto can be found in COMPENSATION DISCUSSION AND ANALYSIS and EXECUTIVE COMPENSATION beginning at pages 22 and 35, respectively.

(2) The dollar amount represents the grant date fair value computed in accordance with FASB ASC Topic 718 of 439 shares of common stock granted to each of the directors as part of their annual retainer and the fair value of the 1,500 Performance Awards granted to each director as part of their Board compensation and, with respect to Mr. Murdoch, 664 additional Performance Awards granted for his services as Lead Director during 2014.

(3) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of both the unrestricted common stock granted to the directors in connection with their annual retainers, as well as restricted common stock underlying the Performance Awards granted to directors in 2014. The 439 shares of common stock granted to each of the directors as part of their annual retainer was issued at the market price of $28.46, as of the closing price on May 8, 2014. We do not issue fractional shares, but instead issue cash in lieu of fractional shares. See Compensation Discussion and Analysis Emphasis on Long-Term Incentives Equity Grants and Deferred Bonus Plans at page 31 for more information regarding Performance Awards.

(4) Includes the dividends that are accrued on the Performance Stock Awards and Units granted in August 2011, August 2012, August 2013 and August 2014. Dividends were paid in 2014 for the Performance Stock Awards granted in 2011 that vested in August, 2014. Dividends will also be paid at vesting (subject to vesting requirements) of the awards in 2015, 2016 and 2017, respectively. Also included is the cash paid in lieu of fractional shares for the Directors retainers described in Note (3) above.

(5) Each of these directors elected to defer their fees and stock awards through our Deferred Payment Plans for Directors.

(6) Mr. Jenkins serves as an independent director for the Corporation s subsidiary, The Bryn Mawr Trust Company of Delaware, and was paid a fee of $1,000 for attending each of that entity s four meetings in 2014.

(7) Includes cash paid to Committee Chairs in 2014 as compensation for their additional services.

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The below chart indicates the aggregate number of shares underlying outstanding stock and option awards for each of our directors as of December 31, 2014:

Director	Number of Unvested Shares and Units Underlying Stock Awards	Number of Shares Underlying Option Awards	Options Vested
Andrea F. Gilbert	4,500	18,475	18,475
Donald Guthrie	4,500		
Wendell F. Holland	4,500	11,475	11,475
Scott M. Jenkins	4,500	14,100	14,100
Jerry L. Johnson	4,500		
David R. Lees	4,500	11,475	11,475
Lynne B. McKee	3,000		
Britton H. Murdoch	6,758	10,832	10,832

Directors Fees

At its first meeting after each annual meeting, the Compensation Committee reviews the components of director compensation and makes recommendations to the full Board of Directors regarding any changes that the Compensation Committee believes should be made to director compensation.

We have agreed to pay, and our non-employee directors have agreed to accept payment of, their annual $12,500 retainer compensation in the form of our common stock, payable at the Board s organizational meeting, generally held in April of each year at the market value of the stock on the day prior to the day of payment. This stock is issued under the Bryn Mawr Bank Corporation Retainer Stock Plan for Outside Directors (the Retainer Plan), which was approved by the Corporation s shareholders with an effective date of January 1, 2012. The purpose of Retainer Plan is to provide competitive compensation for board service and strengthen the commonality of interest between directors and shareholders by allowing the Corporation to pay all or a portion of each outside director s compensation for services as a director in the form of BMBC common stock.

In addition to the annual retainer, each non-employee director was paid a fee of $1,500 for each Board meeting attended (except for meetings for special purpose sub-committees related to IT Steering and CEO Succession Planning, for which $500 or $1,250 were paid respectively), $1,000 for attending the organization meeting held after the annual meeting each year, and $1,250 for each committee meeting attended. A separate fee is not paid to directors for attending a Corporation Board meeting held on a Bank Board meeting day. From time to time, directors may be reimbursed for travel expenses associated with attendance at Board or committee meetings. A $7,500 fee was paid to the Audit Committee Chair in 2014 and a $2,500 fee was paid to the chair of each of the other committees. We paid the Lead Director additional fees of $20,000 in cash and 664 Performance Awards (as defined in the Section titled COMPENSATION DISCUSSION AND ANALYSIS Emphasis on Long-Term Incentives Equity Grants and Deferred Bonus Plans at page 31) in 2014.

All of the directors fees are paid by the Bank except for the fee for attending the organization meeting held after the annual meeting, which is paid by the Corporation.

Equity Awards

Directors are eligible to participate in our 2010 Long-Term Incentive Plan (2010 LTIP). In a given year, each non-employee director serving after our Annual Meeting is eligible to be granted equity awards under our 2010 LTIP, at such number and on such terms as the Board of Directors, in its discretion, decides to grant. In 2014, each of our non-employee directors was granted Performance Awards under our 2010 LTIP. See COMPENSATION DISCUSSION AND ANALYSIS Emphasis on Long-Term Incentives Equity Grants

and Deferred Bonus Plans on page 31 of this Proxy Statement for additional information regarding Performance Awards. As discussed in Proposal 3 in this proxy statement, the Board of Directors is seeking shareholder approval for the approval and adoption of an Amended and Restated 2010 LTIP at the Annual Meeting. See PROPOSAL 3 TO APPROVE AND ADOPT THE AMENDED AND RESTATED BRYN MAWR BANK CORPORATION 2010 LONG-TERM INCENTIVE PLAN beginning at page 51 for more information.

Directors Deferred Payment Plans

Under our Deferred Payment Plan for Directors and an identical plan for the Bank s directors (the Director Plans) a director may defer receipt of a portion or all of the fees paid for service as a director. The Director Plans are non-qualified plans and the Director Plans funds are held in a trust administered by the Bank s Wealth Management Division. Under the Director Plans, a participating director may earn a yield on the deferred director s fees based on the yield on one or more different investment funds. The investment options include fourteen outside independent mutual funds, a Bryn Mawr Trust brokerage account through which the director may freely select his or her own investments, and an investment in our common stock. A director may change his or her investment options quarterly, except that any fees deferred which would otherwise have been paid in the form of shares of our common stock must remain invested under the Director Plans in units of phantom stock for one year following the deferral date. All distributions from the deferred account must be in cash or shares of our common stock (or equivalent phantom stock), as selected by the director. The director may choose to have the deferred account distributed to him or her on: (a) the date he or she ceases to serve as a director; (b) his or her 65^{th} birthday; or (c) any date in the three year period after the director ceases to serve as a member of the Board. Payments to the director may be made in annual installments payable for up to ten years or in a single lump sum payment. Upon a director s death prior to the distribution date, his or her beneficiary will be paid the balance in the director s account in a single lump sum payment. The Board may amend or terminate the Director Plans, in whole or in part, without the consent of any director who has deferred compensation into the Director Plans, but an amendment may not adversely affect the amounts credited to a director s account before the amendment. The right to receive future payments under the Director Plans is an unsecured claim against our general assets.

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PROPOSAL 2 A NON-BINDING ADVISORY VOTE ON EXECUTIVE OFFICER COMPENSATION

Section 14A of the Exchange Act requires that we include in this Proxy Statement the opportunity for our shareholders to vote on an advisory (non-binding) resolution to approve the compensation of our named executive officers (sometimes referred to as Say-on-Pay). Accordingly, the following resolution will be submitted for shareholder approval at the Annual Meeting:

RESOLVED, that the compensation paid to the named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion in this Proxy Statement, is hereby approved.

While this vote is non-binding, the Board and the Compensation Committee expect to take into account the outcome of this vote in considering future executive compensation arrangements. It is our practice, based on Board recommendation and shareholder approval in 2011 of a yearly frequency, to submit a Say-on Pay resolution to shareholders on a yearly basis. We will submit another non-binding vote to shareholders with respect to the frequency of the Say-on-Pay vote no later than our annual meeting in 2017.

As described in detail under Compensation Discussion and Analysis, the Board believes that the talents of our employees have a significant influence on our long-term success. Our compensation system plays a significant role in our ability to attract, retain and motivate a quality workforce. The Board believes that our current compensation program links executive compensation to performance, aligning the interests of our executive officers with those of our shareholders and encourages you to review carefully the Compensation Discussion and Analysis beginning on page 22 and the tabular and other disclosures on Executive Compensation beginning on page 35 of this Proxy Statement.

Proxies solicited by the Board will be voted FOR the above resolution, unless the shareholders specify a contrary choice in their proxies.

THE BOARD RECOMMENDS A VOTE FOR THE SAY-ON-PAY RESOLUTION.

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COMPENSATION DISCUSSION AND ANALYSIS

At the 2014 annual meeting, the Corporation s shareholders approved the non-binding advisory vote on our 2013 named executive officer compensation by over 98% of the votes cast. Due to the overwhelming shareholder approval, the Compensation Committee reviewed and recommended compensation in a manner consistent with past practices in 2014.

Our Goal

The goal of our executive compensation methodology is to retain and reward leaders who create long-term value for our shareholders. This goal affects the compensation elements we use and our compensation decisions. Our compensation methods reward sustained financial and operating performance and leadership excellence, align the executives long-term interests with those of our shareholders and motivate executives to build on their expertise and remain with the Corporation for long and productive careers.

The following is a summary of key considerations affecting the Compensation Committee s determination of compensation for the named executives.

Emphasis on Consistent and Relative Performance

Our compensation methods provide competitive pay opportunity for executives who demonstrate superior performance for sustained periods of time. The amount of compensation paid to each named executive officer reflects the fact that he or she has consistently contributed, and is expected to continue to contribute, to the Corporation s success. In evaluating consistent performance, we also weigh heavily relative performance of each executive in his or her division.

Our emphasis on consistent performance affects our discretionary annual cash bonus and equity incentive compensation, which are determined with the prior year s award or grant serving as an initial basis for consideration. After an assessment of a named executive s past performance and expected future contribution to the Corporation s results, as well as the performance of any business or function he or she leads, the Compensation Committee uses its judgment in determining the amount of bonus or equity award and the resulting percentage change from the prior year. The Compensation Committee generally incorporates current-year, past and expected performance into its salary decisions. Therefore, percentage increases or decreases in the amount of annual salary tend to be more gradual than in a framework that is focused solely on current-year performance.

Discretion and Judgment

The Compensation Committee does not use set formulas in determining the amount and mix of compensation granted to named executive officers. Thus, the Compensation Committee evaluates a broad range of both quantitative and qualitative factors, including reliability in delivering financial and growth targets, performance in the context of the economic environment relative to other companies, a track record of integrity, good judgment, the vision and ability to create further growth, the ability to lead others, prior period compensation received by the executive, results of competitive surveys, and competitive industry factors and budgetary considerations. The evaluation of a named executive s performance against his or her performance objectives plays a significant role in awarding the discretionary annual cash bonus and also contributes to a determination of overall compensation.

Significance of Company and Divisional Results

The Compensation Committee primarily evaluates the named executives contributions to their individual business divisions or functions and their impact on the Corporation s overall performance. The Compensation Committee believes that the named executives share the responsibility to support the goals and performance of the Corporation as key members of the Corporation s leadership team.

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Consideration of Risk

Our compensation methods are discretionary and balance short and long-term goals for the named executive officers and the Corporation. Under this structure, the highest amount of compensation can be achieved through consistent achievement-based performance over sustained periods of time. The Compensation Committee strives to provide strong incentives to manage the Corporation for the long-term, while avoiding excessive risk taking in the short-term. Goals and objectives reflect a fair mix of quantitative and qualitative performance measures to avoid excessive weight on a single performance measure. While bonuses are granted to reward executives in the short term, equity awards such as Performance Awards (Restricted Stock Units) are granted to incentivize executives towards long-term goals and sustained shareholder value. Likewise, the elements of compensation are balanced among current cash payments, equity awards and optional deferred bonus plans. With limited exceptions, the Compensation Committee retains a large amount of discretion to adjust compensation for quality of performance and adherence to company values.

The Compensation Committee annually reviews the relationship between our risk management practices and the incentive compensation we provide to our named executives to confirm that our incentive compensation does not encourage unnecessary and excessive risks. The Compensation Committee also reviews the relationship between risk management practices, corporate strategy and senior executive compensation.

Compensation Actions for 2014

The Compensation Committee, together with Mr. Peters, evaluated and approved 2014 executive salary and equity compensation in the context of the Corporation s performance, market competition, acquisition activities, the achievement of the Company s strategic initiatives and the economic issues facing the financial services industry. Mr. Leto worked with the Committee to evaluate performance and determine 2014 Bonus award compensation.

The Compensation Committee focuses largely on CEO compensation to assure that it reflects operating and stock performance and demonstrates awareness of investor sentiment. Together with Mr. Peters, the Compensation Committee also considers compensation of the other executive officers to achieve the right balance of incentives to appropriately reward and retain executives and maximize their performance over the long-term.

Although the Corporation s compensation methods are subject to adjustment as conditions change, the Compensation Committee strives to maintain consistency in its philosophy and approach, making periodic improvements that are consistent therewith. The Compensation Committee recognizes that value-creating performance by an executive or group does not necessarily translate immediately into appreciation of the Corporation s stock price, however, the Compensation Committee intends to continue to reward management performance based on its belief that, over time, strong operating performance and earnings growth will be reflected through level or increased stock prices.

In 2014, a year in which the Corporation achieved record earnings and substantial growth in wealth assets under management, the Corporation delivered $27.8 million in net income.

In addition, the Corporation continued to progress on several of its initiatives and performance points in 2014 including:

- increasing the Corporation s stock price from $30.18 at December 31, 2013, to $31.30 at December 31, 2014;

increasing the Wealth Management Division assets under management, administration, supervision and brokerage from $7.3 billion at December 31, 2013 to $7.7 billion at December 31, 2014;

- increasing the Wealth Management Division s revenue from $35.2 to $37.5 million;
- increasing loan balances to $1.652 billion at December 31, 2014, a 6.8% increase from December 31, 2013, while maintaining an overall high level of credit quality in the Bank s loan and lease portfolio;
- continued reduction in non-performing loans and reduction of yearly charge-offs to 11 basis points of the loan portfolio;
- a 12.8% increase in new transaction accounts;
- the January 1, 2015 acquisition of Continental Bank Holdings, Inc. and Continental Bank (collectively, Continental); and
- the October 1, 2014 acquisition of Powers Craft Parker & Beard, Inc. (Powers Craft), an insurance brokerage business.

Determining Compensation for Named Executive Officers

Each year, members of the Corporation s executive management and Board of Directors develop corporate objectives that they believe should be achieved for the Corporation s continued success. The CEO then reviews those objectives with the Compensation Committee for the purpose of establishing individual performance goals for himself. The CEO also develops objectives that each named executive officer is expected to achieve, and which are used to assess his or her performance. These objectives are reviewed with the Compensation Committee at the beginning of each year. The CEO leads the assessment of each named executive officer s individual performance against the objectives, the Corporation s overall performance and the performance of the division or function of the business for which the executive is responsible. Also included in the discussion are deliberations about compensation matters such as past compensation, compensation practices and guidelines, current industry compensation practices and competitive market information. In most years, the CEO then makes an initial compensation recommendation to the Compensation Committee for each named executive officer. The named executive officers do not play a role in their compensation determination, other than discussing with the CEO their individual performance against their predetermined objectives.

In early 2014, the Compensation Committee determined to make salary increases based on the merits and achievements of the performance objectives of the individual executive officers during 2013.

The 2014 performance objectives for the named executive officers were reviewed and considered in connection with determining the 2014 bonuses that were paid in early 2015. In addition to the factors taken into account each year (see COMPENSATION DISCUSSION AND ANALYSIS Compensation Elements We Use to Achieve Our Goal Base Salary and Discretionary Bonus on page 31 of this Proxy Statement), the Compensation Committee placed particular emphasis on the following factors in connection with its bonus decisions for 2014:

- the Corporation s net income, exclusive of merger related expenses, of $29.4 million;

the significant increase in Wealth Management Division assets from $7.3 billion to $7.7 billion;

the growth of the Wealth Management Division s margin to 46.7%;

the increase of the Corporation s stock price from $30.18 at December 31, 2013, to $31.30 at December 31, 2014;

maintaining a very competitive net interest margin of 3.93% for 2014 in a climate of historically low interest rates and shrinking margins in the financial services industry;

the Continental acquisition;

the Powers Craft acquisition; and

the establishment of a new strategic plan.

The Corporation also granted restricted stock award units called Performance Awards to each named executive officer in 2014. See the section titled COMPENSATION DISCUSSION AND ANALYSIS Emphasis on Long-Term Incentives Equity Grants and Deferred Bonus Plans and EXECUTIVE COMPENSATION Grants of Plan Based Awards Table on pages 31 and 38, respectively, of this Proxy Statement for more information regarding such grants.

Mr. Peters

In 2014, Mr. Peters salary was $400,000 which represented no increase over his 2013 compensation. In 2013, the Compensation Committee adopted the 2013 Executive Plan and terminated the Second Supplemental Plan for executive and other officers, except for Mr. Peters. Mr. Peters was grandfathered into the Second Supplemental Plan with an agreement that his base salary would be frozen at $400,000 until the time of his retirement which took place on December 31, 2014. Mr. Peters 2014 bonus was $210,000 which is a decrease of $25,000 from his 2013 bonus. Mr. Peters was awarded the bonus in recognition of achieving his goals as the CEO during 2014 and also his leadership of an orderly transition of his responsibilities upon retirement. No performance goals were considered in connection with Mr. Peters 2014 salary since it had been frozen as described above. The Compensation Committee considered the factors described in COMPENSATION DISCUSSION AND ANALYSIS Determining Compensation For Named Executive Officers on page 24 of this Proxy Statement including the individual performance goals described below in connection with determining Mr. Peters 2014 bonus.

Mr. Peters 2014 individual goals and performance applicable to the Compensation Committee s determination of his 2014 bonus included:

Financial Objectives	**Goal**	**Actual Performance**
Net Income (exclusive of merger related expenses*)	Increase to $28.2 million	Increased to $29.4 million
Increase Earnings Per Share (exclusive of merger related expenses*)	EPS to $2.04	EPS to $2.12
Increase Wealth Revenue	Increase to $37.7 million	Increased to $37.5 million
Pre-Tax Wealth Margin	40% or greater	46.7%

* tax-effected

Mr. Peters 2014 strategic and operational goals included completing the acquisitions of Continental and Powers Craft, actively pursuing banking and wealth acquisition opportunities, ensuring implementation of the Corporation s information technology (IT) strategic plan, working with the Lead Director to implement the Corporation s strategic plan, continuing to advocate and support diversity, and working with the Board of Directors on the CEO succession process including hiring a successor and identification and implementation of associated transition needs.

Mr. Peters was successful in meeting substantially all of the goals set for him in 2014. Mr. Peters ensured the continued and successful implementation of the IT plan and was integrally important to the finalization of the agreements to acquire Continental and Powers Craft. Additionally, Mr. Peters participated ex officio in the search for a new CEO for the Bank and led the efforts for a successful and orderly transition of leadership responsibilities. Mr. Peters worked to identify new opportunities to attract and hire diverse candidates in continued support of the organization s diversity focus. Mr. Peters also continued to pursue both banking and wealth acquisition opportunities by reviewing possible transactions with numerous other entities. Mr. Peters successfully led the effort in completing the 3-8-3 Strategic Plan.

Mr. Leto

Mr. Leto s beginning 2014 salary was set in consideration of his results against his 2013 goals and overall relative performance. In 2014, Mr. Leto s salary for his role as Executive Vice President of Wealth was $316,200 which represented an increase of $6,200 based on his achievement of his 2013 goals and overall contributions to the organization. Effective May 1, 2014, the Bank announced that Mr. Leto had been named the Bank s President and Chief Operating Officer (COO) with an anticipated promotion to CEO effective on January 1, 2015 upon Mr. Peters retirement. The Compensation Committee engaged the McLagan group to define a peer group and complete an analysis for CEO compensation. As a result of the data reviewed by the Committee, Mr. Leto s salary was increased on May 1, 2014 to $385,000. Mr. Leto was also granted 7,500 restricted stock units in connection with his promotion. Mr. Leto s 2014 bonus was $210,000 which is an increase of $36,500 over his 2013 bonus and reflective of the contributions Mr. Leto made as Executive Vice President of Wealth Management and his increased responsibilities as President & COO. In addition to the other factors described herein, the Compensation Committee considered the factors described in COMPENSATION DISCUSSION AND ANALYSIS Determining Compensation For Named Executive Officers on page 24 of this Proxy Statement including the individual performance goals described below in connection with determining Mr. Leto s 2014 salary and bonus.

Mr. Leto s 2013 individual goals and performance applicable to the Compensation Committee s determination of his 2014 base salary included:

Financial Objectives	**Goal**	**Actual Performance**
Assets Under Management, Administration, Supervision and Brokerage	Increase 5%	Increased 9.0%
Wealth Management Division Revenue	Increase 12%	Increased 18.1%
Pre-Tax Wealth Management Margin	Increase to 40%	Increased to 43.2%

Mr. Leto s 2013 strategic and operational goals included completing the IT conversion of DTC, continuing to work with the CEO to define, pursue and perform due diligence on additional acquisition opportunities, proactively foster and increase referrals from the Wealth Management Division to other strategic areas of business for the Bank resulting in a material number of referrals, and continued implementation of diversity programs for the Bank, its partners and affiliates.

Mr. Leto was successful in achieving all of his performance goals in 2013. When determining Mr. Leto s 2014 salary, the Compensation Committee took into account Mr. Leto s role in Bryn Mawr Trust of Delaware achieving profitability, the Wealth Management Division attaining Assets Under Management of $7.27 billion, and his role in assessing and advising on merger and acquisition activity. Additionally, the Compensation Committee considered the duties performed by Mr. Leto as General Counsel, and the significant and continuing contribution the Wealth Management Division makes to the Bank s overall success, specifically with respect to revenue and profitability.

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Mr. Leto s 2014 individual goals and performance applicable to the Compensation Committee s determination of his 2014 bonus were amended upon his promotion to President & COO to include goals specific to Wealth Management as well as overall corporate performance:

Financial Objectives	Goal	Actual Performance
Net Income (exclusive of merger related expenses*)	Increase to $28.2 million	Increased to $29.4 million
Increase Earnings Per Share (exclusive of merger related expenses*)	EPS to $2.04	EPS to $2.12
Increase Wealth Revenue	Increase to $37.7 million	Increased to $37.5 million
Grow year end Wealth Assets	Grow by 5.4%	Grew 5.9%
Pre-Tax Wealth Margin	40% or greater	46.7%

During 2014, Mr. Leto assumed a number of new responsibilities and goals with his promotion to President and COO. Mr. Leto was instrumental in the negotiation and finalization of the acquisitions of both Continental and Powers Craft. Mr. Leto fully assumed his new leadership role and worked with Mr. Peters to transition into the CEO role upon Mr. Peters retirement. Mr. Leto also participated in the establishment of the IT Steering Committee to continue overseeing the implementation of the IT strategic plan, emphasized referrals to all areas of the bank from Wealth Management and was an advocate for diversity throughout the organization including engaging minority interns, partnering with the Hispanic Chamber of Commerce on business development and supporting participation in a number of community recruiting events.

Mr. Smith

In 2014, Mr. Smith s salary was increased to $241,976 which represented an increase of $4,977 based on his merits and achievements during 2013. Mr. Smith s 2014 bonus was $60,000 a decrease of $58,000 compared to his 2013 bonus. The Compensation Committee considered the factors described in COMPENSATION DISCUSSION AND ANALYSIS Determining Compensation For Named Executive Officers on page 24 of this Proxy Statement including the individual performance goals described below in connection with determining Mr. Smith s 2014 salary and bonus.

Mr. Smith s 2013 and 2014 goals included no specific financial objectives, but instead related to strategic and operational goals in connection with his role as Chief Financial Officer and head of the Finance Division.

Mr. Smith s 2013 individual goals and performance applicable to the Compensation Committee s determination of his 2014 base salary included:

- Assisting with various acquisition projects by performing financial due diligence, regulatory applications, and pre- and post-merger integration;
- Balance sheet administration including maintaining liquidity, managing the investment portfolio in accordance with the Corporation s Investment and ALCO policies; and implementing an integrated hedging program;
- Actively participating in investor conferences and calls;

Meeting all internal, external and regulatory reporting deadlines, improving the overall efficiency; and

Managing corporate strategy around EPS goals, capital and liquidity levels and appropriately mitigating the Corporation s numerous tax exposures.

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Mr. Smith was successful in achieving and exceeding the objectives set for him in 2013. Particular credits include supporting various merger related activities, meeting the strategic objectives of the company s sensitivity to market risk, maintaining the liquidity plans, aggressively working to protect the net interest margin, actively participating in investor conferences, meeting all internal and external reporting deadlines, managing the Corporation s investment portfolio with no other-than-temporary impairment charges and promoting diversity within the Finance Division.

Mr. Smith s 2014 individual goals and performance applicable to the Compensation Committee s determination of his 2014 bonus included: assisting with various acquisition projects by performing financial due diligence, regulatory applications, and pre- and post-merger integration; balance sheet administration including maintaining liquidity, managing the investment portfolio in accordance with the Corporation s Investment and ALCO policies; and implementing an integrated hedging program; actively participating in investor conferences and calls; meeting all internal, external and regulatory reporting deadlines, improving the overall efficiency; and managing corporate strategy around EPS goals, capital and liquidity levels and appropriately mitigating the Corporation s numerous tax exposures. Mr. Smith received a bonus because he substantially achieved the objectives set for him in 2014.

Ms. Gers

In 2014, Ms. Gers salary was increased to $254,999 which represented an increase of $5,000 based on her merits and achievements during 2013 and her overall contribution to the organization. Ms. Gers 2014 bonus was $180,000, which is an increase of $16,000 over her 2013 bonus. The Compensation Committee considered the factors described in COMPENSATION DISCUSSION AND ANALYSIS Determining Compensation For Named Executive Officers on page 24 of this Proxy Statement including the individual performance goals described below in connection with determining Ms. Gers 2014 salary and bonus.

Ms. Gers 2013 individual goals and performance applicable to the Compensation Committee s determination of her 2014 base salary included:

Financial Objectives	**Goal**	**Actual Performance**
New Transaction Accounts	Increase 5%	Increased 8.5%
Retail Banking Fee Income	Increase 6%	Increased 5.34%
Organic Deposit Funding Cost	Bottom 1/3 of regional competition	3rd lowest cost of funds compared to regional competition including wholesale sources

Ms. Gers 2013 strategic and operational goals included the introduction of a mobile banking product, implementing the company s IT Strategic Plan and staffing plan, completion of the disaster recovery co-location, achieving core level application up-time at or above 98%, continuing to implement the company s diversity program, and maintaining 2012 cost and direct expense levels in her areas of responsibility. The Compensation Committee took into account when determining Ms. Gers bonus the facts that the majority of her objectives were met, as fee income increased substantially, and organic funding rates were properly managed according to plan. Additionally, Ms. Gers continued her leadership role in the assessment, development and implementation of strategic initiatives to improve the Bank s information technology platforms, and supported the Bank in connection with due diligence efforts it conducted on several potential acquisition transactions. Additionally, Ms. Gers expanded her leadership responsibilities as the Human Resources function was added to her Division and Ms. Gers established strategic goals for the group.

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Ms. Gers 2014 individual goals and performance applicable to the Compensation Committee s determination of her 2014 bonus included:

Financial Objectives	Goal	Actual Performance
New Transaction Accounts	Increase 5%	Increased 12.8%
Organic Deposit Funding Cost	Bottom 1/3 of regional competition	Lowest organic funding rate compared to regional peers

Ms. Gers 2014 strategic and operational goals included continuation of execution related to the IT strategic plan. Accomplishments included maintaining core up time of 99% or better on designated applications versus a goal of 98%, the completion of the Outlook conversion and desktop standardization and installation of video phones for ready SME access at the branches. Ms. Gers oversaw the Operational Assessment for the core applications and organizational design resulting in the development of an approved strategy to improve the core applications and significant improvement in contracts with core vendors. Ms. Gers oversaw the continued transformation of the HR function with noted improvements in compensation support, training and HR consultation. Ms. Gers also led diversity awareness through her support of training for her direct managers and participation in deeper community involvement to hiring and employee development. Additionally, Ms. Gers played a critical leadership role in the assessment, development, organization and approval of a new Strategic Plan. Ms. Gers continued to demonstrate her keen leadership though her support of the Bank in connection with due diligence efforts it conducted on several potential acquisition transactions and on the Continental acquisition including overall project oversight. Additionally, Ms. Gers expanded her leadership responsibilities in 2014 with the addition of the Bank s facilities group under her supervision.

Mr. Keefer

In 2014, Mr. Keefer s salary was $243,508 which represented an increase of $5,008 based on his merits and achievements during 2013 and his overall contribution to the organization. Mr. Keefer s 2014 bonus was $135,000, which is an increase of $13,000 over his 2013 bonus. The Compensation Committee considered the factors described in COMPENSATION DISCUSSION AND ANALYSIS Determining Compensation For Named Executive Officers on page 24 of this Proxy Statement including the individual performance goals described below in connection with determining Mr. Keefer s 2014 salary and bonus.

Mr. Keefer s 2013 individual goals and performance applicable to the Compensation Committee s determination of his 2014 base salary included:

Financial Objectives	Goal	Actual Performance
Achievement of Year-end Loan Balances	$1.438 billion	$1.547 billion
Net Charge-Offs for Traditional Bank *	Maintain below $4.5 million or 35 basis points of average loans	Decreased to $2.485 million or 17 basis points
BMT Leasing Company net income	Increase to $1.0 million	Increased to $1.062 million
BMT Leasing Company delinquencies	Decrease to less than 1.0%	Decreased to 0.34%
BMT Leasing Company charge-offs	Decrease to less than $1.0 million	Decreased to $376 thousand
BMT Leasing Company Year-end assets	$38 million	$40.24 million
Integration & growth of FBD loan portfolio	$92 million	$105.5 million
Residential Mortgage Originations	$150 million	$203.5 million

* Traditional Bank excludes leasing portfolio activity.

Mr. Keefer s strategic and operational goals in 2013 included proactively generating referrals into the Wealth Management Division, successfully integrating FBD s lending staff into the Bank, meeting residential loan production targets, continuing to provide leadership and supervise staffing in the credit division, direction and solutions with respect to the Bank s problem loans, and continued implementation of the Bank s diversity program.

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Mr. Keefer met all of the goals established for him in 2013. The Compensation Committee took into account when determining his 2014 base salary, the facts that Mr. Keefer s objectives were attained, as well as Mr. Keefer s other significant contributions which included his leadership role in maintaining high credit quality standards and results which resulted in the level of classified and criticized loans decreasing significantly, participation and presentation at investor conferences and analyst earnings calls, and successfully supporting the analysis and credit due diligence associated with merger and acquisition transactions.

Mr. Keefer s 2014 individual goals and performance applicable to the Compensation Committee s determination of his 2014 bonus included:

Financial Objectives	**Goal**	**Actual Performance**
Achievement of Year-end Loan and Lease Balances	$1.623 billion	$1.656 billion
Loan and Lease chargeoffs	Not to exceed 30 basis points and be less than $4.776 million	11.27 basis points and a total of $1.813
BMT Leasing Company net income	In excess of $1.150	$1.245 million
Referrals to the Wealth Group	35 referrals	34 referrals

Mr. Keefer s strategic and operational goals in 2014 included providing support and guidance for problem credits. His leadership contributed to the significant achievements related to credit including a reduction in loans rated 7 and 8. Mr. Keefer also promoted the importance of diversity throughout the bank through hiring, development and promotions in Lending as well as his continued support of the Fair Lending initiatives established by the Bank.

Mr. Keefer substantially met or exceeded all of the goals established for him in 2014. The Compensation Committee took into account when determining his bonus, the facts that Mr. Keefer s objectives were substantially attained, as well as Mr. Keefer s other significant contributions which included his leadership role in maintaining high credit quality standards and results which resulted in the level of classified and criticized loans decreasing significantly, participation and presentation at investor conferences and analyst earnings calls, and successfully supporting the analysis and credit due diligence associated with merger and acquisition transactions.

Benchmarking Data and Use of Compensation Consultants

While the Compensation Committee considered the results of comparative surveys performed with respect to executive compensation as one of many factors it used to determine overall executive compensation in prior years, in 2014, the Compensation Committee used peer data comparison to make compensation decisions related to Mr. Leto s promotion into the President and COO, and ultimately CEO, role.

In 2014, the Compensation Committee engaged two consultants, Radford Consulting, an Aon Hewitt company (Radford) and McLagan, an AON Hewitt company (McLagan), to support Compensation related activities. Neither consultant nor their affiliates were engaged to provide additional services to the Corporation or the Bank. A Compensation Committee Adviser Independence Assessment, including evaluation of conflicts of interest, was completed as required under the SEC and NASDAQ rules for compensation advisors. Both compensation consultants were deemed independent, without conflicts of interest.

The Compensation Committee engaged Radford to provide consulting services relative to the design of the Stock Award programs for 2014. In 2014, the Compensation Committee determined to grant restricted stock units as part of the performance awards under the 2010 LTIP.

The Committee engaged McLagan to develop a Peer Group for use with compensation related decisions. McLagan developed peer groups with a Regional, National and Combined focus. After review, the Committee agreed to adopt the Combined Peer Group for named executive compensation related decisions which consisted of Tompkins Financial Corporation, WSFS Financial Corp., First Merchants Corp., S&T Bancorp, Inc., City Holding Co., Sandy Spring Bancorp Inc., Washington Trust Bancorp Inc., First Financial Corp., Univest Corp. of Pennsylvania, S.Y. Bancorp Inc., OceanFirst Financial Corp., Horizon Bancorp, Arrow Financial Corp., Bank of Kentucky Financial Corp., Enterprise Bancorp Inc., Peapack-Gladstone Financial, Chemung Financial Corp., Middleburg Financial Corp., and Citizens & Northern Corp. Following the adoption of the Peer Group, the Committee further engaged McLagan to evaluate compensation in connection with the promotion of Mr. Leto to the positions of President & COO and eventual CEO in 2015. The study evaluated the mix of base salary, equity compensation, and incentive compensation for peer CEO s. Late in 2014, the Committee engaged McLagan to expand the compensation review to include all other named executives. The results were shared with the Committee in late 2014 and will be considered in compensation recommendations for 2015. The evaluation included a review of base salary, equity compensation and incentive compensation.

Compensation Elements We Use to Achieve Our Goal

The following summarizes the compensation elements we use as tools to reward, align and retain our named executives in addition to the base salaries and discretionary bonuses described above.

Emphasis on Long-Term Incentives Equity Grants and Deferred Bonus Plans

The Compensation Committee strives to provide an appropriate mix of different compensation elements, including finding a balance among current versus long-term compensation and cash versus equity incentive compensation. Cash payments primarily reward more recent performance, and equity awards align the interests of our executives with those of our shareholders, encourage our named executives to continue to deliver results over a longer period of time and also serve as a retention tool.

The Compensation Committee believes that a portion of the named executive officers compensation should be tied to the Corporation s operating and stock price performance over the long-term period. The Compensation Committee reviews long-term incentive compensation strategy and vehicles annually. The Corporation s current long-term incentive plans applicable to named executive officers are the 2004 Stock Option Plan (2004 Plan), 2007 Long-Term Incentive Plan (2007 LTIP) and the 2010 LTIP, which allow the Compensation Committee flexibility to issue equity incentive awards such as stock options, stock grants, performance units, performance shares, restricted stock and restricted stock units.

When determining the amount of equity granted to executive officers, the Compensation Committee takes into consideration share usage, dilution and shares available under the equity plan. In prior years, the Committee has granted the same number of shares to each named executive with the exception of the CEO. The Committee changed this approach with the 2014 grants. For 2014, the Committee again granted a larger number to the CEO and also to Mr. Leto as the President & COO, a new role in the organization. The Committee also varied the number of shares granted to each named executive based on the strategic importance of each role and its incumbent leader. In anticipation of Mr. Peters retirement as Chairman and CEO but continued role as a director of the Corporation, the Committee decided to grant Mr. Peters an equity award in 2014 consistent in size and terms with the equity awards granted to the Corporation s outside directors instead of the equity awards granted to the Corporation s executives.

In 2014, long-term performance-based compensation of executive officers was paid using performance-based restricted stock units (the Performance Awards) as reflected in EXECUTIVE COMPENSATION Equity Based Compensation Grants of Plan Based Awards Table on page 38 of this Proxy Statement.

The Performance Awards issued in 2014 are subject to 3-year cliff vesting where the final payout is based on the Corporation s total shareholder return (TSR) compared to the TSR of the Nasdaq Community Bank Index (the Index). TSR is calculated using the average stock price for the 20 trading days preceding the beginning and end of the 3-year performance period and assuming dividends are reinvested on the ex-dividend

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date over the performance period. Upon the expiration of the performance period, the TSR of the Corporation will be compared against the TSR of the Index. If the Corporation s TSR is greater than zero and also greater than that of the Index, 100% of the Performance Awards will vest and shares of the Corporation&#146