

FNCB Bancorp, Inc.  
Form DEF 14A  
April 15, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-12

FNCB Bancorp, Inc.

(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(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): \_\_\_\_\_

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(2) Form, Schedule or Registration No.: \_\_\_\_\_

(3) Filing Party: \_\_\_\_\_

(4) Date Filed: \_\_\_\_\_

**FNCB BANCORP, INC.**

102 East Drinker Street

Dunmore, Pennsylvania 18512

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**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**

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Dear Shareholders:

FNCB Bancorp, Inc., a Pennsylvania corporation (“FNCB”), will hold an Annual Meeting of Shareholders at FNCB Bank’s (the “Bank”) Exeter Community Office located at 1625 Wyoming Avenue, Exeter, Pennsylvania 18643, on May 15, 2019 at 9:00 A.M. Eastern Time, for the following purposes:

1. *Election of Directors.* Election of three (3) directors to the Board of Directors for three-year terms expiring in 2022;
2. *Advisory Vote on Compensation.* A non-binding vote regarding the compensation of FNCB’s named executive officers;
3. *Ratification of Auditors.* Ratification of the appointment of Baker Tilly Virchow Krause, LLP as FNCB’s independent registered public accounting firm for the year ending December 31, 2019; and
4. *Other Business.* Other business that may properly come before the annual meeting and any adjournment or postponement of the meeting.

The Board of Directors of FNCB set the close of business on April 5, 2019, as the Record Date for the annual meeting. This means that only FNCB shareholders of record at such date are entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting.

**Your vote is important.** Whether or not you plan to attend the annual meeting, you are encouraged to promptly vote your shares by one of the following methods: (1) by telephone using the toll-free number provided in the instructions; (2) the Internet; or (3) the enclosed proxy in the postage paid envelope provided. If you plan to attend the annual meeting, and if you so choose, you may vote your shares in person at the meeting. If you hold shares through a broker,

trust, bank or other nominee holder, please complete the voting instructions of that broker or custodian. Brokers may not vote your shares on the election of directors nor the advisory vote on the compensation of FNCB's named executive officers, unless you provide your nominee with specific instructions as to how to vote your shares. Please vote your shares so your vote can be counted.

We urge you to read the enclosed proxy statement carefully so you will have information about the business to come before the meeting or any adjournment or postponement of the meeting. Please refer to the attached proxy statement and the 2018 Annual Report to Shareholders. **You may obtain a copy of this Proxy Statement and the Annual Report on Form 10-K including the financial statements and exhibits for the 2018 fiscal year at no cost on our website at [investors.fnbc.com](http://investors.fnbc.com).**

By Order of the Board of Directors,

/s/ Dominick L. DeNaples

Dominick L. DeNaples, Chairman

Dunmore, Pennsylvania

April 15, 2019

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**PROXY STATEMENT**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Frequently Asked Questions and Answers</b>	1
<b>General Information</b>	2
Date, Time and Place of Annual Meeting	2
Internet Availability of Proxy Materials	2
Purpose of the Annual Meeting	2
Record Date, Quorum and Voting Rights	2
Solicitation of Proxies and Voting	3
Revocation of Proxies	3
<b>Principal Beneficial Owners of FNCB's Common Stock</b>	4
Principal Owners	4
Beneficial Ownership by Directors, Executive Officers and Nominees	4
<b>PROPOSAL 1 Election of Directors</b>	5
<b>Information about FNCB's Board of Directors and Executive Officers</b>	6
Information as to Nominees	6
Information as to Directors Who Will Continue in Office	6
Information as to Executive Officers	8
<b>Corporate Governance</b>	10
Code of Ethics	10
Security Holder Communications	10
Submission of Shareholder Proposals for 2020 Annual Meeting	11
The Board of Directors	12
Committees of the Board of Directors	12
<b>Audit Committee Report</b>	14
<b>Director Compensation</b>	15
<b>Executive Compensation</b>	16
Overview	16
Summary Compensation Table	17
Outstanding Equity Awards at Fiscal Year End	18
Employment Arrangements	18
Potential Payments Upon Termination or Change in Control	18
Inter-Relationship of Elements of Total Compensation and Outcome of 2018 Say-on-Pay Vote	19
<b>PROPOSAL 2 Advisory Vote on Compensation of FNCB's Named Executive Officers</b>	19
<b>Certain Relationships and Related Transactions</b>	20
<b>PROPOSAL 3 Ratification of the Appointment of Independent Registered Public Accounting Firm</b>	21
<b>Independent Registered Public Accounting Firm Fees and Services</b>	21
<b>Section 16(a) Beneficial Ownership Reporting Compliance</b>	22
<b>Other Matters</b>	22
<b>Additional Information</b>	22



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## FREQUENTLY ASKED QUESTIONS AND ANSWERS

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### *Who is entitled to vote?*

Only those shareholders who held their shares of record as of the close of business on April 5, 2019, the Record Date, are entitled to vote. As of April 5, 2019, there were 20,109,040 shares of FNCB's common stock outstanding and entitled to vote. Each of FNCB's shareholders on the Record Date is entitled to one vote per share.

### *How do I vote?*

If you are a shareholder of record as of April 5, 2019, you may vote your shares by using one of four methods: mail, via the internet, telephone or in person. (See instructions on the proxy card).

### *How does discretionary authority apply?*

If you are a shareholder of record and vote by proxy but make no specification how to vote your shares on your proxy card that you have otherwise properly executed, the proxy holders will vote the shares represented by your proxy by voting **FOR** each of the proposals listed on the proxy card.

### *Is my vote confidential?*

Yes. Only the Judge of Election, the proxy holders and the transfer agent will have access to your proxy. All comments will remain confidential unless you ask that your name be disclosed.

### *Who will count the votes?*

A representative from Broadridge Financial Solutions, Inc., will tabulate the votes and a representative from American

Election Services, LLC will act as Judge of Election.

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

Your shares are probably registered in more than one name or are held in more than one account. We urge you to complete and return all proxies solicited by the Board of Directors of FNCB to ensure that all your shares are voted.

***What constitutes a quorum?***

As of April 5, 2019, 20,109,040 shares of common stock were outstanding and entitled to vote. The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast, constitutes a quorum for the transaction of business at the annual meeting. If you vote by proxy or in person, you will be considered part of the quorum.

***What percentage of stock do the directors and officers own?***

As of April 5, 2019, the record date, approximately 15.67% of FNCB's common stock was owned directly or indirectly by our directors and executive officers (or their affiliates) as a group. (See page 4 of the proxy statement for more details).

***What are the solicitation expenses?***

FNCB has retained Broadridge Financial Solutions, Inc, of Lake Success, New York to assist in the distribution of proxy materials and solicitation of votes, and a representative from American Election Services, LLC will act as the Judge of Election. The estimated fee to provide these services is \$17,400 plus out-of-pocket expenses.

***Who is the largest principal shareholder?***

The largest principal shareholder of FNCB as of April 5, 2019 is Louis A. DeNaples. (See page 4 of the proxy statement for more details).



*How many votes are needed to approve each proposal and what are the effects of abstentions or broker non-votes on the voting results?*

<b>Proposal Number</b>	<b>Item</b>	<b>Vote Required for Approval of Each Item</b>	<b>Abstentions*</b>	<b>Uninstructed Shares/Effect of Broker Non-votes</b>	<b>Signed but Unmarked Proxy Cards</b>
<b>1</b>	Election of Directors	Plurality	No effect	Not voted/No effect	Voted "for"
<b>2</b>	Advisory Vote for Say-on-Pay	Majority of votes cast	No effect	Not voted/No effect	Voted "for"
<b>3</b>	Ratification of Baker Tilly Virchow Krause, LLP as FNCB's independent registered public accounting firm for the year ending December 31, 2019	Majority of votes cast	No effect	Discretionary vote by Broker	Voted "for"

\* Abstentions are included in determining whether a quorum is present.

**FNCB Bancorp, Inc.**

102 E. Drinker Street

Dunmore, PA 18512

**PROXY STATEMENT**

**FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS,**

**to be held on May 15, 2019**

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**GENERAL INFORMATION**

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*Date, Time and Place of Annual Meeting*

This proxy statement is being furnished as part of the solicitation of proxies by the Board of Directors (the “Board”) of FNCB Bancorp, Inc. (“FNCB”), a Pennsylvania business corporation and registered bank holding company, to be voted at FNCB’s 2019 annual meeting of shareholders (“annual meeting”). The annual meeting will be held at FNCB Bank’s (the “Bank”) Exeter Community Office, 1625 Wyoming Avenue, Exeter, Pennsylvania 18643 on Wednesday, May 15, 2019 at 9:00 a.m., prevailing time. All inquiries regarding the annual meeting should be directed to Joseph Coccia, Secretary of FNCB. This proxy statement and the enclosed form of proxy are first being sent to shareholders of FNCB on or about April 15, 2019.

*Internet Availability of Proxy Materials*

The proxy materials relating to the 2019 annual meeting and the 2018 Annual Report on Form 10-K are available free of charge on the Internet. **Please go to [investors.fncb.com](http://investors.fncb.com) to view and obtain the materials online.**

*Purpose of the Annual Meeting*

At the annual meeting, shareholders will be requested:

to elect three (3) directors to the Board of Directors for terms expiring in 2022 and until their successors are duly elected and qualified;

to hold an advisory vote on the compensation of FNCB's named executive officers;

to ratify the appointment of Baker Tilly Virchow Krause, LLP as FNCB's independent registered public accounting firm for the year ended December 31, 2019; and

to transact any other business properly presented at the annual meeting and any adjournment or postponement of the meeting.

We have not authorized anyone to provide you with information about FNCB; therefore, you should rely only on the information contained in this document or on documents to which we refer you. Although we believe we have provided you with all the information helpful to you in your decision to vote, events may occur at FNCB after printing this proxy statement that might affect your decision or the value of your stock.

### ***Record Date, Quorum and Voting Rights***

FNCB's Board has fixed April 5, 2019 as the Record Date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. On the Record Date, FNCB had 20,109,040 shares of common stock, par value \$1.25 per share (the "common stock"), outstanding and entitled to vote, held by approximately 1,781 shareholders of record. FNCB's common stock is the only authorized class of stock entitled to vote.

Under Pennsylvania law and FNCB's bylaws, the presence of a quorum, consisting of the presence of shareholders entitled to cast, in person or by proxy at least a majority of the votes that all shareholders are entitled to cast on a particular matter at the meeting, is required to transact business at the annual meeting. The presence, in person or by proxy, of a majority of the shares of common stock entitled to vote at the annual meeting, constitutes a quorum for the transaction of business at the annual meeting. Votes withheld and abstentions will be counted in determining the presence of a quorum. A "broker non-vote" results on a matter when your broker or nominee returns a proxy but does not vote on a proposal because it does not have discretionary authority to vote on that proposal and has not received voting instructions from you. We believe that your broker or nominee only has discretionary voting power with respect to the proposal regarding the ratification of the appointment of the independent registered public accounting firm for 2019.

Each holder of common stock is entitled to one vote, in person or by proxy, for each share of common stock held in his or her name in FNCB's books as of the Record Date. If your shares are held in an account at a bank, brokerage firm, broker-dealer or other similar organization, then you are a beneficial owner of shares held in "street name." In that case, you will have received these proxy materials from that organization holding your account and, as a beneficial owner, you have the right to instruct your broker, bank, trustee, or nominee how to vote the shares held in your account. If no voting instructions are given, your broker or nominee has discretionary authority to vote your shares on your behalf on routine matters. If you hold your shares in "street name" through a broker, trust, bank or other nominee, your nominee holder may not be able to vote your shares on the proposal to elect directors and the advisory vote on the compensation of FNCB's named executive officers, unless you provide specific instructions how to vote on those proposals.

Assuming the presence of a quorum, the three (3) nominees for director receiving the highest number of votes will be elected at the annual meeting. **PROPOSAL 2**, the advisory vote on the compensation of FNCB's named executive officers requires the affirmative vote of a majority of the votes cast on such proposal. The vote on **PROPOSAL 2** is nonbinding on FNCB, our Board of Directors or Compensation Committee, but will be considered by our Board and Compensation Committee when making future compensation decisions for our executive officers. **PROPOSAL 3**, the ratification of Baker Tilly Virchow Krause, LLP as FNCB's independent registered public accounting firm for 2019, and any other matters that may come before the annual meeting, will require the affirmative vote of a majority of the votes cast on the proposal to be approved. Any abstention or broker non-votes will not be counted as a vote cast on a proposal but will be counted in determining whether a quorum is present at the annual meeting.

### *Solicitation of Proxies and Voting*

The cost of preparing, assembling, printing, mailing and soliciting proxies, and any additional material regarding the annual meeting that FNCB sends to its shareholders will be paid by FNCB. In addition to solicitation by Broadridge Financial Solutions, Inc., the directors, officers and employees of FNCB and the Bank may solicit proxies from shareholders personally or by telephone, facsimile or other electronic means without additional compensation. Arrangements will be made with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of the common stock held of record by these persons, and upon their request, FNCB will reimburse them for their reasonable forwarding expenses.

Shareholders of record can vote their shares by: (1) completing and returning the enclosed written proxy card; (2) telephone using the toll-free number, 1-800-690-6903; (3) the Internet; or (4) in person at the annual meeting to be held on May 15, 2019. To vote via the Internet, go to [www.proxyvote.com](http://www.proxyvote.com) and follow the onscreen instructions. Please have your control number from your proxy card available when you access the web page.

Shareholders of record can also vote in person at the meeting. Submitting your voting instructions by returning a proxy card or by voting over the telephone or over the Internet will not affect your right to attend the meeting and vote. The method by which you vote will in no way limit your right to vote in person at the annual meeting, after giving written notice to Joseph Coccia, Secretary of FNCB.

Please note that you may not vote shares held in street name in person at the annual meeting unless you obtain a legal proxy from that organization holding your account. If your shares are held in an account at another bank, brokerage firm, broker-dealer or other similar organization, these proxy materials are being forwarded to you by your broker or nominee which is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the meeting. **If you plan to attend the annual meeting, you will be required to provide a “Broker Letter” as proof of ownership of FNCB’s common stock to be allowed to attend the annual meeting.** Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

### *Revocation of Proxies*

A shareholder of record who returns a proxy may revoke the proxy prior to the time it is voted at the annual meeting in any one of the following ways:

by giving written notice of revocation to Joseph Coccia, Secretary of FNCB Bancorp, Inc., 102 East Drinker Street, Dunmore, Pennsylvania 18512; or

by executing a later-dated proxy and giving written notice to the Secretary of FNCB; or

by voting in person after giving written notice to the Secretary of FNCB.

Attendance by a shareholder at the annual meeting will not in and of itself constitute a revocation of the proxy.

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**PRINCIPAL BENEFICIAL OWNERS OF FNCB'S COMMON STOCK**


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*Principal Owners*

The following table sets forth, as of April 5, 2019, information about the number of shares held by persons FNCB knows to be the beneficial owners of more than 5.0% of FNCB's outstanding common stock. As of April 5, 2019, FNCB had 20,109,040 shares of common stock outstanding and entitled to vote.

<u>Name and Address</u>	<b>Percent of Outstanding Common Stock</b>	<b>Beneficially Owned (1)</b>	<b>Beneficially Owned</b>
Louis A. DeNaples  400 Mill Street  Dunmore, PA 18512	8.94%	1,797,051	

(1) All shares are owned individually or jointly with a spouse unless otherwise indicated. For additional details on the shares beneficially owned, see "Beneficial Ownership by Directors, Executive Officers and Nominees" on page 4.

*Beneficial Ownership by Directors, Executive Officers and Nominees*

The following table sets forth certain information concerning the number and percentage of whole shares of FNCB's common stock beneficially owned by each of its directors and director nominees, its executive officers whose compensation is disclosed in this Proxy Statement, its principal shareholders who own more than 5.0% of FNCB's common stock, and by its current directors and all executive officers as a group, as of April 5, 2019. The address of each of the beneficial owners identified is 102 E. Drinker Street, Dunmore, PA 18512. Except as otherwise indicated, each person included in this table owns his or her shares directly and possesses sole voting and sole investment power with respect to all such shares, none of which are pledged as security. Except as set forth under "Principal Owners" and below, FNCB knows of no other person or persons who beneficially owns more than 5.0% of FNCB's common stock. Further, FNCB is not aware of any arrangement which at a subsequent date may result in a change of control of FNCB.

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<b>Name</b>	<b>Position</b>	<b>Number of Shares</b>	<b>Percentage (13)</b>	
William G. Bracey (1)	Director of FNCB and the Bank	128,746	*	
Joseph Coccia (2)	Director, Secretary of FNCB and the Bank	192,534	*	
Dominick L. DeNaples (3)	Director, Chairman of the Boards of FNCB and the Bank	82,003	*	
Joseph L. DeNaples, Esquire (4)	Director of FNCB and the Bank	298,045	1.48	%
Louis A. DeNaples (5)	Director of FNCB and the Bank	1,797,051	8.94	%
Louis A. DeNaples, Jr., M.D. (6)	Director, Vice Chairman of FNCB and the Bank	250,294	1.24	%
Vithaldhai D. Dhaduk, M.D. (7)	Director of FNCB and the Bank	133,620	*	
Keith W. Eckel	Director of FNCB and the Bank	5,792	*	
Kathleen McCarthy Lambert, CPA (8)	Director of FNCB and the Bank	5,357	*	
Thomas J. Melone, CPA	Director of FNCB and the Bank	4,371	*	
John P. Moses, Esquire (9)	Director of FNCB and the Bank	99,162	*	
Gerard A. Champi (10)	Director, President and Chief Executive Officer of FNCB and the Bank, Former Chief Operating Officer of the Bank	44,305	*	
James M. Bone, Jr., CPA (11)	Executive Vice President and Chief Financial Officer/Treasurer of FNCB and the Bank	28,574	*	
Brian C. Mahlstedt (12)	Executive Vice President and Chief Lending Officer of the Bank	23,893	*	
All current directors and executive officers as a group (24 persons)		3,151,158	15.67	%

\*Indicates ownership of less than 1%.

(1) Includes: 4,117 shares held individually by Mr. Bracey; and 124,629 shares held by a business which is 100.00% owned by Mr. Bracey.

(2) Includes: 10,714 shares held individually by Mr. Coccia; 9,075 shares held jointly with Mr. Coccia's spouse; and 172,745 shares held by a family limited partnership.





(3) Includes: 5,474 shares held individually by Mr. DeNaples; 74,090 shares held jointly with Mr. DeNaples' spouse; and 2,439 shares held by a business in which he is a 33.33% owner with his brother, Louis A. DeNaples.

(4) Includes: 286,114 shares held individually by Mr. DeNaples; and 11,931 shares held jointly with Mr. DeNaples' sibling.

(5) Includes: 1,773,757 shares held individually by Mr. DeNaples; 15,646 shares owned individually by his spouse; 5,209 shares owned jointly with Mr. DeNaples' spouse; and 2,439 shares held by a business in which he is a 33.33% owner with his brother, Dominick L. DeNaples.

(6) Includes: 220,229 shares held individually by Dr. DeNaples, Jr.; 28,718 shares as custodian for Dr. DeNaples' children under the Uniform Transfer to Minors Act ("UTMA"); and 1,347 shares as custodian for Dr. DeNaples' nephew under UTMA.

(7) Includes: 71,000 shares held jointly by Dr. Dhaduk with his spouse, and 62,620 shares held individually by Dr. Dhaduk's spouse.

(8) Includes: 2,857 shares held individually by Mrs. Lambert; and 2,500 shares owned jointly with Mrs. Lambert's spouse.

(9) Includes: 2,673 shares held individually by Mr. Moses; and 96,489 shares owned jointly with Mr. Moses' spouse.

(10) Includes: 2,571 shares held individually by Mr. Champi; 33,538 shares held jointly with Mr. Champi's spouse; and 8,196 shares of restricted stock awarded under the LTIP that will vest on May 15, 2019.

(11) Includes: 413 shares held individually by Mr. Bone; 17,660 shares held jointly with Mr. Bone's spouse; 270 shares held by Mr. Bone's adult child who lives with Mr. Bone and is economically dependent upon Mr. Bone; 4,903 shares held jointly with Mr. Bone's father and three of his siblings; 834 shares held individually by Mr. Bone's spouse; and 4,494 shares of restricted stock awarded under the LTIP that will vest on May 15, 2019.

(12) Includes: 1,351 shares held individually by Mr. Mahlstedt; 18,430 shares held jointly with Mr. Mahlstedt's spouse; and 4,112 shares of restricted stock awarded under the LTIP that will vest on May 15, 2019.

(13) Percentages are calculated in accordance with Rule 13d-3 under the Exchange Act, and represent a percentage of the sum of 20,109,040 shares issued, outstanding and entitled to vote as of April 5, 2019 and 29,980 shares of restricted stock that will vest on May 15, 2019. Certain shares beneficially owned by FNCB's directors and executive officers may be held in accounts with third-party firms, where such shares may from time to time be subject to a security interest for margin credit provided in accordance with such firm's policies.

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## PROPOSAL 1

### ELECTION OF DIRECTORS

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Upon the recommendation of the Nominating and Governance Committee, FNCB's Board of Directors has nominated the three (3) individuals listed in the table below for election as directors at the Annual Meeting. If you elect the nominees listed below, they will hold office until the annual meeting of shareholders in 2022 or until their successors have been duly elected and qualified. All nominees are currently serving on our Board and have consented to being named in this proxy statement and to serve if elected.

Unless otherwise instructed, the proxy holders will vote the proxies received for the election of the three (3) nominees for Class C Director named below. If any nominee should become unavailable to serve as director for any reason, proxies will be voted in favor of a substitute nominee as designated by the Board of Directors. The Board of Directors currently believes that the nominees named will be able to serve if elected. Any vacancy on the Board of Directors, including vacancies resulting from an increase in the number of directors, will be filled by a majority vote of the remaining members of the Board of Directors and each person so appointed will be a director until the expiration of the term of office of the class to which he or she was appointed. Assuming the presence of a quorum, the three (3) nominees for director below receiving the highest number of votes will be elected at the annual meeting.

<b>Nominee</b>	<b>Term Expiration</b>	<b>Position Held</b>
Joseph Coccia	2022	Director
Joseph L. DeNaples, Esquire	2022	Director
John P. Moses, Esquire	2022	Director

Cumulative voting rights do not exist with respect to the election of directors. Except as may otherwise be provided by statute or by the articles of incorporation, at every shareholders' meeting, each shareholder entitled to vote has the right to one vote for each share of common stock owned on the Record Date fixed for the meeting. For example, if a shareholder owns 100 shares of common stock, he or she may cast up to 100 votes for each of the nominees for director in the class to be elected.