

First Bancorp, Inc /ME/
Form DEF 14A
March 11, 2016

March 21, 2016

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of The First Bancorp, Inc., which will be held at Samoset Resort, 220 Warrenton Street in Rockport, Maine 04856, on Wednesday, April 27, 2016, at 11:00 a.m. Eastern Daylight Time. The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the matters to be considered and acted upon.

This year we will be voting to elect Directors, to approve (on a non-binding basis) the compensation of the Company's executives, and to ratify the selection of the Company's independent auditors. These matters are discussed in greater detail in the accompanying Proxy Statement. The Board of Directors unanimously recommends that you vote FOR each proposal. Your prompt completion and return of the proxy will be appreciated.

It is important that you be represented at the Annual Meeting, regardless of the number of shares that you own and whether or not you are able to attend the meeting in person. Shares held in "street name" by banks, brokers or other nominees who indicate on their proxy cards that they do not have discretionary authority to vote such shares as to a particular matter, which we refer to as "broker non-votes," will be counted for the purpose of determining whether a quorum exists but will not be considered as present and entitled to vote with respect to a particular matter unless the beneficial owner(s) of the shares instructs such record holder how to vote such shares.

Please take the time to review the material, mark, sign, date, and return the enclosed proxy in the envelope provided for your convenience.

If you have any questions about matters discussed in the Proxy Statement, please contact me at 207-563-3195 or 1-800-564-3195, extension 3169. Your continued support of The First Bancorp, Inc. is sincerely appreciated.

Very truly yours,

/s/ Tony C. McKim
Tony C. McKim
President and Chief Executive Officer

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THE FIRST BANCORP, INC.

Post Office Box 940, 223 Main Street, Damariscotta, Maine 04543

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held Wednesday, April 27, 2016

To the Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of The First Bancorp, Inc., the one-bank holding company of First National Bank, will be held at Samoset Resort, 220 Warrenton Street, Rockport, Maine 04856, on Wednesday, April 27, 2016, at 11:00 a.m. Eastern Daylight Time, for the following purposes:

☛ To elect as Directors of the Company the nominees listed in the enclosed Proxy Statement as noted.

☛ To approve (on a non binding basis) the compensation of the Company's executives.

To ratify the Audit Committee's selection of Berry Dunn McNeil & Parker, LLC as independent auditors of the Company for 2016.

☛ To transact such other business as may properly come before the meeting or any adjournment thereof.

Directors are elected by the vote of the holders of a majority of the outstanding shares of stock entitled to vote at the meeting. To be approved, any other matters submitted to our Shareholders, including the ratification of Berry Dunn McNeil & Parker, LLC, as our independent auditors, require the affirmative vote of the majority of shares present in person or represented by proxy at the annual meeting and entitled to vote.

Shares that abstain from voting as to a particular matter will be counted for purposes of determining whether a quorum exists and for purposes of calculating the vote with respect to such matter, but will not be deemed to have been voted in favor of such matter. Shares held in "street name" by banks, brokers or other nominees who indicate on their proxy cards that they do not have discretionary authority to vote such shares as to a particular matter, which we refer to as "broker non-votes," will be counted for the purpose of determining whether a quorum exists but will not be considered as present and entitled to vote with respect to a particular matter unless the beneficial owner(s) of the shares instructs such record holder how to vote such shares. Accordingly, abstentions will have the effect of a vote against a proposal, and broker non-votes will not have any effect upon the outcome of voting with respect to any matters voted on at the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 27, 2016:

The First Bancorp's Annual Report to Shareholders and Proxy Statement are available at <http://materials.proxyvote.com/31866P>.

By Order of the Board of Directors

/s/ Charles A. Wootton
Charles A. Wootton, Clerk
Damariscotta, Maine
March 21, 2016

Regardless of the number of shares you own, your vote is important.

Whether or not you expect to attend the meeting, the prompt return of your proxy will save follow-up expenses and assure the proper representation of your shares.

Please mark, date, sign, and promptly return the enclosed proxy, using the postage-paid envelope provided.

You may revoke your proxy if you so desire at any time before it is voted.

THE FIRST BANCORP, INC.

Post Office Box 940, 223 Main Street, Damariscotta, Maine 04543

PROXY STATEMENT

Annual Meeting of Shareholders to be Held Wednesday, April 27, 2016

This Proxy Statement is being furnished to Shareholders of The First Bancorp, Inc. (the “Company”), the parent company of First National Bank (the “Bank”), in connection with the solicitation of Proxies on behalf of the Board of Directors, to be used at the Annual Meeting of Shareholders of the Company to be held at Samoset Resort, 220 Warrenton Street, Rockport, Maine 04856, on Wednesday, April 27, 2016, at 11:00 a.m. Eastern Daylight Time, and at any adjournment thereof for matters described in the Notice of Annual Meeting of Shareholders. This Proxy Statement is first being mailed to Shareholders on March 21, 2016. This solicitation is made by the Company, which will bear the expenses thereof.

The Proxy solicited hereby, if properly signed and returned to the Company and not revoked prior to its use, will be voted in accordance with the instructions contained therein. If no contrary instructions are given, each Proxy received will be voted for the nominees for Directors described herein and for approval of the matters described below and upon the transaction of such other business as may properly come before the meeting, in accordance with the best judgment of the persons appointed as Proxies; provided, however, that broker non-votes will not be voted in favor of the election of Directors. Any Shareholder giving a Proxy has the power to revoke it at any time before it is exercised by (i) filing with the Clerk of the Company a written notice thereof (Charles A. Wootton, The First Bancorp, Inc., Post Office Box 940, 223 Main Street, Damariscotta, Maine 04543); (ii) submitting a duly executed Proxy bearing a later date; or (iii) appearing at the Annual Meeting and giving the Clerk notice of his or her intention to vote in person. Proxies solicited hereby may be exercised only at the Annual Meeting and any adjournment thereof and will not be used for any other meeting.

Only Shareholders of record at the close of business on February 19, 2016 (the “Voting Record Date”) will be entitled to vote at the Annual Meeting. On the Voting Record Date, there were 10,770,273 shares of Common Stock of the Company issued and outstanding. Each share of Common Stock is entitled to one vote at the Annual Meeting on all matters properly presented thereat.

PROPOSAL 1: ELECTION OF DIRECTORS

The health of the Company depends on a strong, independent and attentive Board. The Nominating/Governance Committee of the Board of Directors believes that it is necessary for each of the Company's Directors to possess a considerable amount of business management and educational experience. In addition, Directors must have sound judgment, wisdom, integrity and ethics. Directors are encouraged to attend seminars and courses to enhance their directorship skills. Each of our outside Directors brings to the Company knowledge from his or her field of expertise, including leadership, finance, marketing and human resources, through the management of their own companies or professional practices. These experiences provide perspective, analytical insight and objectivity when overseeing and evaluating Management. In addition, all Directors serve as referral sources for the Company's subsidiary. All Directors of the Company also serve on the subsidiary's Board and meet the requirements for Directors as set forth by the Office of the Comptroller of the Currency. The Board's familiarity with the Bank's systems and controls is crucial in maintaining the Company's safety and soundness. In order to be a candidate for a Director of the Company, each individual must meet the following criteria:

• Be a citizen of the United States.

• Have the financial capacity to own and/or purchase the minimum equity interest in the Company as specified in the Company's bylaws.

• Be available to attend the monthly meetings of the Board of Directors and Board Committee meetings, as scheduled from time to time.

• Have the ability and willingness to represent the interests of the Shareholders of the Company.

• Meet any additional criteria that the Office of the Comptroller of the Currency may establish for directors of a national bank.

If any person named as nominee should be unwilling or unable to stand for election at the time of the Annual Meeting, the holder of the Proxy will vote for any replacement nominee or nominees recommended by the Board of Directors. Each person listed below has consented to be named as a nominee, and the Board of Directors knows of no reason why any of the nominees may not be able to serve as a Director if elected.

The Nominating/Governance Committee has nominated the following individuals to be submitted to a vote of the Shareholders at the meeting, each to serve (if elected) for a one (1) year term and until his or her successor is duly elected:

Katherine M. Boyd (64) has served as a Director of the Company and the Bank since 1993. A resident of Boothbay Harbor, she owns the Boothbay Region Greenhouses with her husband and she serves as CFO. Ms. Boyd is past President of the Boothbay Region YMCA and graduated with a BA from Pitzer College in 1973.

The Board concluded that Ms. Boyd is well suited to serve as a director of the Company because of her several decades of experience as the manager of a successful Coastal Maine small business.

Robert B. Gregory (62) has served as a Director of the Company and the Bank since 1987 and served as Chairman of both the Company and the Bank from September 1998 to April 2007. Mr. Gregory has been a practicing attorney since 1980, first in Lewiston, Maine and since 1983 in Damariscotta, Maine. In addition, he and his wife Sim serve as advisors to the Bowdoin Christian Fellowship.

The Board concluded that Mr. Gregory is well suited to serve as a director of the Company because of his legal expertise and extensive transactional experience in financial, banking, and commercial real estate matters.

Renee W. Kelly (46) was nominated by the Nominating Committee to serve as Director of the Company and the Bank in January 2016. Ms. Kelly has served as Director of Economic Development Initiatives for the University of Maine since 1997. In addition, she leads the University's entrepreneurship and innovation support activities as well as its efforts in the Innovation Engineering Institute. She was a founding member of the leadership team for the Blackstone Accelerates Growth initiative in Maine (now Maine Accelerates Growth) and led the creation of the Innovate for Maine Fellows program. Prior to joining the University, she developed training products for Manpower of Connecticut, worked for a financial services start-up company and served as an aide to then U.S. Senator Olympia J.

Snowe. She currently serves on the boards of several economic

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development and service organizations, including the Bangor Region Chamber of Commerce, Economic Development Council of Maine, and Ellsworth Business Development Corporation.

The Board concluded that Ms. Kelly is well suited to serve as a director of the Company because of her varied experience in economic development.

Tony C. McKim (48) joined the Company as Executive Vice President, Chief Operating Officer and a member of the Board of Directors of the Company and the Bank upon completion of the mergers of FNB Bankshares ("FNB") and its subsidiary into the Company and the Bank on January 14, 2005. Prior to the mergers, Mr. McKim was President and Chief Executive Officer of "FNB" and its subsidiary. In January 2015, Mr. McKim was named President and Chief Executive Officer of the Company and the Bank. Mr. McKim is involved in several local associations, including Harbor House, The Maine Seacoast Mission, Ellsworth Business Development Corporation, Acadian Youth Sports, as well as the Maine Bankers Association and is a member of the Government Relations Council of the American Bankers Association.

The Board concluded that Mr. McKim is well suited to serve as a director of the Company because of his experience as the former CEO of FNB Bankshares and as a senior officer of the company with more than two decades in bank management.

Mark N. Rosborough (67) has served as a Director of the Company and the Bank since completion of the mergers of FNB and its subsidiary into the Company and the Bank on January 14, 2005. Prior to the mergers, Mr. Rosborough served as Chairman of the Board of Directors of "FNB" and its subsidiary. Mr. Rosborough is President of J. T. Rosborough Insurance Agency. He is also a partner in Rosborough Family Limited Partnership, Penrose and TISA. He currently serves on the Board of Advisors of Maine Mutual Group and is Treasurer of The Open Door Recovery and MEMIC. He has served on the Ellsworth City Council, the Ellsworth Chamber of Commerce, as well as the Hanover Insurance Company Advisory Board, the Acadia Insurance Advisory Board, and the American Red Cross for Hancock and Waldo Counties.

The Board concluded that Mr. Rosborough is well suited to serve as a director of the Company because of his experience as the former Chairman of FNB Bankshares and his overall banking expertise and knowledge, and business experience managing a successful insurance agency.

Cornelius J. Russell (52) was nominated by the Nominating Committee to serve as a Director of the Company and the Bank in February 2014. A second-generation hotelier, Mr. Russell began his career in 1987 with Ocean Properties Ltd. and has held management positions at multiple hotels in Maine, New Hampshire, Colorado, Arizona and Florida. He acted as the General Manager at the Samoset Resort from 1999 to 2015 where he oversaw numerous multi-million dollar capital improvement projects, most recently overseeing the construction of La Bella Vita Ristorante, Enoteca wine bar, The Spa and Luxury guest cottages. In July 2015, he became the Regional General Manager providing field support to the Residence Inns by Marriott in Auburn, Bath and Bangor along with the Fairfield Inn by Marriott Bangor. He will also be supporting the Homewood Suites Augusta opening in 2016. Mr. Russell's service on several boards of directors includes Past Presidency of the Maine Innkeeper's Association and Penobscot Bay Regional Chamber of Commerce, New England Inns and Resorts Association, Maine State Chamber of Commerce, and the Penobscot Bay Healthcare Board of Trustees. He was awarded the 2010 Innkeeper of the Year by the Maine Innkeepers Association. Mr. Russell graduated with a B.S. degree in Resource Economics from the University of Maine.

The Board concluded that Mr. Russell is well suited to serve as a director of the Company because of his varied experience in retail, lodging and hospitality services.

Stuart G. Smith (62) has served as a Director of the Company and the Bank since 1997 and served as Chairman of both the Company and the Bank from May 2007 to April 2013. A resident of Camden, he and his wife, Marianne, own and operate Maine Sport Outfitters in Rockport and Camden, the Lord Camden Inn, the Grand Harbor Inn, 16 Bay View Inn and Bayview Landing in Camden, as well as the Breakwater Marketplace in Rockland. They are also part owners of the Rockland Harbor Park Center. Currently Mr. Smith is a board member of the nonprofit Mid Coast Recreation Center. Mr. Smith holds a BS in economics and history from Duke University and a Master of Environmental Studies from Duke University School of Forestry and Environmental Science. He has served for ten years on the public school board of SAD 28 and The Five Town CSD school board as both a director and chairperson, serving on budget and finance committees, labor negotiations, compensation, planning and facility development and management. He has also served as a board member and president of the Camden, Rockport, Lincolnville Chamber of Commerce and the Camden Area YMCA.

The Board concluded that Mr. Smith is well suited to serve as a director of the Company because of his varied experience in retail, lodging and hospitality services, as well as real estate development and management.

David B. Soule, Jr. (70) has served as a Director of the Company and the Bank since 1989 and has served as Chairman of both the Company and the Bank since April 2013. Mr. Soule has been practicing law in Wiscasset since 1971. Mr. Soule's law firm focuses on real estate, including land conservation, bank financing and real estate closings; in addition, he deals with trusts and estate planning and represents small businesses. He served two terms in the Maine House of Representatives, is a past President of the Lincoln County Bar Association and is a former Public Administrator for Lincoln County. He served as Trustee of the Wiscasset Public Library and as Selectman, Planning Board Chair and other volunteer positions with the Town of Westport. Mr. Soule is a currently a director of the Maine Wilderness Watershed Trust and Trustee of the Morse High School Scholarship Fund.

The Board concluded that Mr. Soule is well suited to serve as a director of the Company because of his more than four decades as a practicing attorney and extensive knowledge of corporate governance, gained through his chairmanship of the Company's Audit Committee for many years.

Bruce B. Tindal (65) has served as a Director of the Company and the Bank since 1999. Mr. Tindal has been a licensed real estate broker since 1974. Mr. Tindal formed and is owner of Tindal & Callahan Real Estate in Boothbay Harbor, which has been in operation since 1985. He currently serves on the Boothbay Regional Land Trust Board of Advisors. Mr. Tindal is also a member of the National Association of Realtors, Council of Residential Specialists, Real Estate Buyers Agent Council and the Boothbay Harbor Rotary Club.

The Board concluded that Mr. Tindal is well suited to serve as a director of the Company because of his in-depth knowledge of the coastal Maine real estate market and trends.

* Directors' ages are as of December 31, 2015.

In order to be elected a Director of the Company, a nominee must receive the affirmative vote of the holders of a majority of the shares of Company's Common Stock outstanding on the Voting Record Date. Broker non-votes or abstentions will not be counted as affirmative votes.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR PROPOSAL NO. 1

About the Board of Directors and Its Committees

As of the date of this Proxy Statement, The First Bancorp, Inc. had a Board comprised of nine Directors. During 2015 there were eight regular Board meetings and one Annual Meeting. After each regular Board meeting time is provided for an executive session without Management present. The Board's Attendance Policy states that all members of the Board are strongly encouraged to attend each meeting of the Board and Committees on which they serve. All Directors attended at least 77% of Board meetings and meetings held by Committees of which they were members in 2015. The aggregate attendance at Board and Committee meetings by all members of the Board of Directors and its Committees in 2015 was in excess of 85%. All Directors are expected to attend the 2016 Annual Meeting of Shareholders, and all Directors were in attendance at the 2015 Annual Meeting.

Although the Company does not have a formal policy with respect to diversity, the Board and the Nominating/Governance Committee believe it is essential that the Board members represent diverse view points (such as gender, race, national origin and education as well as professional experience), and consider each nominee's/Director's credentials, competencies and skills as well as the candidate's area(s) of qualifications and expertise that would enhance the Board's composition and effectiveness.

Audit Committee. The members of the Company's Audit Committee for 2016 are Mark N. Rosborough - Chairman, Robert B. Gregory and David B. Soule, Jr. This Committee met four times during 2015. The Company's Audit Committee receives and reviews reports on examinations and accounting audits of the Company, and works to ensure the adequacy of operating practices, procedures and controls. The Company's Board of Directors has adopted a written charter for the Company's Audit Committee, which was published in the Company's 2004 Annual Proxy Statement and can be found on the Company's website www.thefirstbancorp.com. The 2015 report of the Audit Committee can be found on page 35 of this document.

Nominating/Governance Committee. The members of the Company's Nominating/Governance Committee for 2016 are Mark N. Rosborough - Chairman, Katherine M. Boyd and Stuart G. Smith. This Committee met three times during 2015. As stated in the Nominating/Governance Committee Charter adopted on February 19, 2004, the Committee is responsible for the nomination of Board of Directors members, establishing the tenure and the retirement policies for members of the Board of Directors and reviewing their overall effectiveness. The charter can be found on the Company's website www.thefirstbancorp.com. Under the Company's Bylaws, if a Shareholder wishes to nominate a Director for consideration by the Committee, he or she must be a Shareholder of record and have continuously held at least \$2,000 in market value of the Company's Common Stock (as determined by the President) for at least one year as of the date of submittal of such proposal and must continue to hold those securities through the date of such annual meeting. The Committee will also consider if a proposed candidate meets the criteria set forth on page 3 of this document. Each member of the Nominating/Governance Committee is independent as defined under the listing standards of the NASDAQ stock market.

Compensation Committee. The Company's Compensation Committee is a standing committee of the Bank's Board of Directors since all executive compensation is paid by the Bank. The Committee consists of Bruce B. Tindal - Chairman, Mark N. Rosborough, Stuart G. Smith and David B. Soule, Jr.. This Committee met three times during 2015. No Director of the Bank or the Company serves as a Director on the board of any other corporation with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or that is subject to the reporting requirements of Section 15(d) of the Securities Exchange Act of 1934, or of any company registered as an investment company under the Investment Company Act of 1940, as amended. The function of this Committee is to establish the compensation of the Chief Executive Officer and to review and approve the compensation of other Senior Executive Officers. The Compensation Committee Charter adopted in 2013 can be found on the Company's website www.thefirstbancorp.com.

In addition to the Compensation Committee, there are five other standing committees of the Bank's Board of Directors: Executive, Audit, Asset/Liability, Trust and Directors' Loan. Certain members of Management also serve on some committees of the Bank. There are no family relationships among any of the Directors of the Company.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

No member of the Compensation Committee was, or ever has been, an officer or employee of the Company or the Bank. All Committee members are customers of and engage in transactions with the Bank in the ordinary course of business. As described in "Certain Relationships and Related Transactions", all loans to such individuals were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the Bank and, in the opinion of Management, did not involve more than the normal risk of collectability or present other unfavorable features.

Director Independence

The Board reviewed the independence of the Company's Directors in January 2016 based on NASDAQ standards. In this review, the Board considered transactions and relationships between each Director (and any member of his or her immediate family) and the Company or the Bank and between certain entities in which any Director or any immediate family member has certain interests, on the one hand, and the Company or the Bank, on the other hand. The purpose of this review was to determine which of such transactions or relationships were inconsistent with a determination that the Director is independent under NASDAQ rules. As a result of the review, the Board affirmatively determined that as of January 2016 all of the Directors are independent of the Company and the Bank under NASDAQ rules with the exception of President McKim.

Risk Oversight

The Board takes an active role as a whole and also at the committee level in overseeing management of the Company's risk. The Board regularly reviews information regarding the Company's liquidity and operations as well as the risks associated with each. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risk. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation practices and plans. The Asset/ Liability Committee is responsible for overseeing financial risk. The Audit Committee oversees reports from examiners and auditors of both the internal audit function and independent outside auditors and federal regulators. The Directors' Loan Committee monitors lending policies to ensure they are adequate and that the lending function follows sound practices. The Trust Committee reviews activities of the Trust and Investment Department to ensure that all trust functions are conducted in accordance with Bank policy, applicable laws and regulations and in a sound manner consistent with fiduciary standards and duties. The Nominating/Governance Committee manages risk associated with the independence of the Board of Directors and potential conflicts.

Leadership Structure

The Company believes that having an independent Director serving as Chairman of the Board is prudent. The Chairman of the Board is elected by a vote of the Directors to serve a one-year term with a maximum appointment of eight terms. The Chief Executive Officer serves on the Board of Directors; however, his main focus is to provide leadership to the Company for accomplishing the directives established by the Board of Directors and is responsible for the general administration, oversight, care and management of all property and business of the Company, and for all of its departments as well as full authority over all officers, managers and employees.

Code of Ethics

The Company's Code of Ethics for Senior Financial Officers, which was adopted by the Board of Directors on June 19, 2003, and the Company's Code of Business Conduct and Ethics, which was adopted by the Board of Directors on April 15, 2004, are incorporated in the Company's 2006 Annual Report on Form 10-K as Exhibits 14.1 and 14.2, respectively. They are available on the Company's website at www.thefirstbancorp.com, and a copy may be obtained, free of charge, by written request to the Company.

Audit Committee Financial Expert

Pursuant to Section 407 of the Sarbanes-Oxley Act of 2002 and Item 407(d)(5) of Regulation S-K promulgated by the Securities and Exchange Commission, the Company is required to disclose whether it has at least one "Financial Expert" serving on its Audit Committee and if so, the name of the expert and whether the expert is independent of Management. A company that does not have an Audit Committee Financial Expert must disclose this fact and explain why it has no such expert.

At the present time, the Company's Audit Committee does not have a member who meets the Securities and Exchange Commission's complete definition of a financial expert. It is the opinion of the Company's Board of Directors, however, that the Company addresses its audit functions with a depth of penetration and rigor that meets the intent of the requirements of the Sarbanes-Oxley Act for the following reasons:

The Company is a one-bank holding company owning all of the capital stock in the Bank. All Directors of the Bank meet the requirements and qualifications imposed by the Office of the Comptroller of the Currency, the Bank's principal regulator, which conducts regular supervisory examinations of the Bank. In addition to requiring knowledge of the banking industry and the financial regulatory system, these qualifications require a "background, knowledge, and experience in business or another discipline to oversee the Bank."

All members of the Audit Committee of the Bank and the Company are independent Directors, as defined by the Securities and Exchange Commission and NASDAQ. The three members operate their own businesses and have knowledge of accounting for both their own businesses as well as for the Bank and the Company. The members of the Audit Committee have considerable experience as Directors of the Bank and the Company.

Internal audit work of the Bank and the Company is outsourced to a professional firm which conducts all internal audits except for loan review, for which a second professional firm performs quality control loan review. Both firms provide detailed periodic reports to the Audit Committee and the Directors' Loan Committees, respectively.

The Bank is a highly regulated entity which undergoes regular and thorough examination by the Office of the Comptroller of the Currency, with additional oversight by the Federal Deposit Insurance Corporation. The Company is a "Financial Holding Company" as defined by the Federal Reserve Board and as such is regulated and regularly examined by the Federal Reserve Board.

The Company also continuously reviews, at its own initiative, the expertise of the members of its Board of Directors and its Audit Committee.

Security Ownership of Directors, Management and Principal Shareholders

The following table sets forth the number of shares of Common Stock of the Company beneficially owned as of February 19, 2016 by (i) each person known by the Company to own beneficially more than 5.0% of the Company's Common Stock, (ii) each nominee for Director of the Company, (iii) the Named Executive Officers, and (iv) all Executive Officers and Directors of the Company as a group. Except as otherwise indicated below, each of the Directors and Executive Officers and persons owning more than five percent of the Company's stock has sole voting and investment power with respect to all shares of stock beneficially owned as set forth opposite his or her name.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership				Percent of Class
Common Stock	Katherine M. Boyd	35,356 ¹	5,160 ²			*
Common Stock	Robert B. Gregory	43,925 ¹	649 ²	3,600 ³	5,280 ⁴	*
Common Stock	Renee W. Kelly	1,000 ¹				*
Common Stock	Tony C. McKim	88,863 ¹				*
Common Stock	Mark N. Rosborough	144,289 ¹	4,642 ²	3,621 ⁵	3,621 ⁶	1.45%
Common Stock	Cornelius J. Russell	3,068 ¹				*
Common Stock	Stuart G. Smith	102,661 ¹	456 ²			*
Common Stock	David B. Soule, Jr.	25,792 ¹	3,500 ²	225 ⁷		*
Common Stock	Bruce B. Tindal	23,469 ¹	1,000 ²			*
Common Stock	F. Stephen Ward	45,683 ¹				*
Common Stock	Charles A. Wootton	27,481 ¹				*
Common Stock	Susan A. Norton	26,957 ¹				*
Common Stock	Richard M. Elder	15,971 ¹				*
Total Ownership of all Directors and Executive Officers as a Group					713,396	6.624%
Owners of 5% or More	BlackRock Fund Advisors ⁸				609,006	5.66%
	400 Howard Street, San Francisco, California					

¹ Direct holdings including sole ownership, joint ownership, DRIP, ESPP, Grants and 401(k) Shares

² Spouse's holdings

³ Trustee for First Fruit Foundation

⁴ POA for Claire Stickney

⁵ Trustee for Anna Batchelor TR

⁶ Trustee for Sam Batchelor TR

⁷ Holdings of Director's Firm

⁸ Information regarding BlackRock Fund Advisors is based solely upon information obtained from NASDAQ

* Less than one percent of total outstanding shares

Executive Officers

Each Executive Officer of the Company and the Bank is identified in the following table, which also sets forth their respective offices and periods served as an Executive Officer of the Company or the Bank. The ages shown are as of December 31, 2015.

Name	Office & Position	Period Served
Tony C. McKim	President & Chief Executive Officer of the Company and the Bank	2005 to date
F. Stephen Ward	Treasurer, Executive Vice President & Chief Financial Officer of the Company and the Bank	1993 to date
Charles A. Wootton	Executive Vice President and Clerk of the Company, Executive Vice President and Senior Loan Officer of the Bank	2000 to date
Susan A. Norton	Executive Vice President, Human Resources and Compliance Officer of the Bank	2002 to date
Richard M. Elder	Executive Vice President, Retail Services of the Bank	2002 to date
Steven N. Parady	Executive Vice President, Chief Fiduciary Officer of the Bank	1997 to date
Tammy L. Plummer	Executive Vice President, Chief Information Officer of the Bank	1985 to date
Sarah J. Tolman	Executive Vice President, Branch Administration of the Bank	2014 to date
Steven H. Poulin	Senior Vice President, Senior Credit Officer of the Bank	2012 to date

Tony C. McKim (48) joined the Company as Executive Vice President, Chief Operating Officer and a member of the Board of Directors of the Company and the Bank with the merger of FNB Bankshares on January 14, 2005. In January 2015, he was promoted to President and Chief Executive Officer of the Company and the Bank. Prior to the merger, Mr. McKim was President and Chief Executive Officer of FNB Bankshares and The First National Bank of Bar Harbor beginning in 2000.

F. Stephen Ward (62) has served as Treasurer and Chief Financial Officer of the Company since 1994 and as Chief Financial Officer of the Bank since 1993. In 2005, Mr. Ward was promoted to Executive Vice President. Mr. Ward has been employed by the Bank since 1990 and served as Marketing Officer from 1990 to 1993.

Charles A. Wootton (59) has been employed by the Bank since January 2000. In 2001, Mr. Wootton was promoted to Senior Vice President of Banking Services and Senior Loan Officer. In 2005, Mr. Wootton was promoted to Executive Vice President. From 1981 to 2000 Mr. Wootton was employed by Camden National Bank, serving as branch manager, commercial loan and business development officer, becoming Vice President responsible for branch administration in 1996.

Susan A. Norton (55) has been employed by the Bank since 1992 and was promoted to Senior Vice President, Human Resources and Compliance in 2005. In January 2009, Ms. Norton was promoted to Executive Vice President. Ms. Norton has also served as Assistant Compliance Officer and Education Officer. She currently holds the position of CRA Officer and Compliance Officer for the Company and is certified as a Senior Professional in Human Resources.

Richard M. Elder (50) has been employed by the Bank since 1993. Mr. Elder was promoted to Vice President of Retail Services in 2001, to Senior Vice President in 2005 and to Executive Vice President in 2016. Mr. Elder previously served as Manager of the Bank's Boothbay Harbor branch and Senior Commercial Loan Officer.

Steven N. Parady, Esq. (61) has been employed by the Bank since 1997. From 1997 to 1999 Mr. Parady worked as a Commercial Development Officer for The First National Bank of Bar Harbor as well as being a member of the Bank's Board of Directors. In 1999 he moved to the Trust division of the Bank as a Trust Officer. In 2007 he was promoted to the Senior Trust Officer and Chief Fiduciary of First Advisors. In January 2016 he was promoted to Executive Vice President.

Tammy L. Plummer (50) has been employed by the Bank since 1985 in a variety of roles of increasing responsibility. She was promoted to Senior Vice President, Chief Technology Officer in 2009 and to Chief

Information Officer in 2015. In January 2016, Ms. Plummer was promoted to Executive Vice President. She currently holds the position of Information Security Officer for the Company and was previously the Data Processing Manager. Sarah J. Tolman (37) has been employed by the Bank since August of 2014. Ms. Tolman was promoted to Executive Vice President of Branch Administration in January of 2016. Tolman oversees the daily activities of all branch offices as well as the phone banking center. She has sixteen years of banking experience, the last two at First National Bank. Ms. Tolman is a graduate of Husson College and the Mid-Coast Leadership Academy via the University of Maine. Steven H. Poulin (60) has been employed by the Bank since 2002. In February of 2012, Mr. Poulin was promoted to Senior Vice President – Senior Credit Officer. Mr. Poulin previously served as Vice President, Senior Business Relationship Officer, in the Bank's Rockport and Damariscotta offices.

There are no family relationships among any of the Executive Officers, nor are there any arrangements or understandings between any Executive Officer and any other person pursuant to which that Executive Officer has been or is to be elected.

Compensation Discussion and Analysis

Executive Summary

The Compensation Committee of the Board of Directors of The First Bancorp, Inc. oversees the Company's executive compensation program. The Committee consists solely of "Independent Directors", i.e., those Directors who are neither officers or employees of the Company or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment to carry out the responsibilities of a Director and who are otherwise "independent" under the rules of the NASDAQ Stock Market, Inc.

The Committee has the direct responsibility to:

- Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives and determine the CEO's compensation level based on this evaluation. The corporate goals which are developed to encourage Management to not take undue or excessive risk are established jointly between the Compensation Committee and the CEO and are driven by the Company's strategic plan and annual operating budget. In addition to the Company-wide goals, the Committee and the CEO jointly agree on individual performance goals for the CEO. Examples of these goals, which may vary from year to year, include the Company's earnings targets, loan and deposit growth objectives, risk management analysis, as well as specific individual goals such as implementing components of the approved strategic plan and leadership development.
- Review and approve the compensation of all other Executive Officers of the Company with recommendations and input from the CEO.
- Review and approve grants, awards and issuances under, or any material amendment of, the equity-based long-term and short-term incentive plans, which are described below. In consultation with Management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax-deductibility and, as and when required, establish performance goals and certify that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- Establish and review Company stock ownership guidelines for the CEO and other Executive Officers of the Company.

5. Review and approve any severance or similar termination payments proposed to be made to any current or former Executive Officer of the Company, and any agreements providing for such payments.

Philosophy of Our Executive Compensation Program

The Company recognizes that the attraction and retention of high-performing employees are among the key components of the organization's past performance and future success. In support of that objective, the Compensation Committee believes that the most effective executive compensation program is one that rewards annually the achievement of established long-term and strategic goals, and aligns executives' interests with those of Shareholders and the long-term interests of the Company. The Committee evaluates both performance and compensation of our executives relative to the compensation paid to similar executives at comparably sized and similarly performing banks. Our goal is to maintain an appropriate relationship between the compensation of our executives and the Company's performance. The overall objectives of our compensation program are:

- a) To provide both short-term and long-term alignment between pay and performance;
- b) To align executive interests with those of Shareholders;
- c) To remain competitive within the relevant marketplace in terms of total compensation; and
- d) To enable the Company to attract, retain, and motivate top talent.

The elements of our compensation program are discussed in more detail below, but in summary, the elements of our program are as follows:

- a) Base Pay will target slightly above the market median (55th to 75th percentile) of the Company's peer group, established by Pearl Meyer & Partners and described below, and will reflect the individual executive's role, experience and contribution to the Company.
- b) Short-term incentives will reflect annual goals related to the Company's profitability and asset quality as well as the achievement of individual goals for each executive.
Long-term incentives which focus on achievement of longer-term objectives and reduce incentives driven by
- c) short-term developments may be awarded on an annual basis and are intended to promote the retention of the executive team.
- d) The Committee will determine an appropriate mix of base pay, short-term and long-term incentives based on the executive's position and tenure in the Company.
- e) Other benefits will be competitive and appropriate to retain and attract talented individuals.
- f) All elements of our compensation are evaluated by the Compensation Committee to ensure they are not designed to encourage or incentivize Management to cause the Company to take excessive or undue risk.

In addition to the compensation program, the Compensation Committee has also established stock ownership guidelines for the CEO and other Senior Executive Officers (SEOs). These ownership guidelines further align the CEO's performance with the long term goals of the Company.

Total compensation is expected to vary each year, and evolve over the long-term to reflect our performance relative to our peers and the industry with corresponding returns for our Shareholders.

Considerations in Determining Executive Compensation

In 2015, Pearl Meyer, a consulting firm specializing in compensation and benefits for financial institutions, conducted a comprehensive total senior executive compensation analysis for the Company. The peer group utilized by the Company was publicly traded non-metropolitan bank holding companies located in New England, New York and Pennsylvania. The results of this review were used to guide the Committee's

refinement of the Company's compensation philosophy and resulting compensation programs for senior executives.

Compensation Benchmarking: Understanding and having a comparative analysis of the compensation of senior banking executives in the banking industry is a key element considered by the Committee in making compensation decisions. Similar to the Company's past internal practices, Pearl Meyer assisted the Committee with defining a peer group of institutions of similar asset size and regional location. The peer group includes the two comparable banks located in the state of Maine and other banks located in similar non-metropolitan areas in the Northeast. The comparable companies are reviewed annually and may change slightly depending on changes either in the market or in the peer group banks themselves. The peer group targets approximately 20 institutions ranging from two-thirds to two times the Company's size in terms of assets. The overall objective is to position the Company at approximately the median salary levels of the peer group.

Performance factors will also be taken into account should a company in the peer group have performance that varies greatly from that of the group and/or the Company. We may discount a defined peer bank or drop a company from the group should performance vary widely.

The peer group used for 2015 was as follows:

Lake Sunapee Bank Group	Camden National Corporation
Orrstown Financial Services, Inc.	Arrow Financial Corporation
ACNB Corporation	CNB Financial Corporation
Enterprise Bancorp, Inc.	Evans Bancorp, Inc.
Suffolk Bancorp	Merchants Bancshares, Inc.
ESSA Bancorp, Inc.	Bar Harbor Bankshares
Westfield Financial, Inc.	Chemung Financial Corporation
Hingham Institution for Savings	Citizens & Northern Corporation
Penns Woods Bancorp, Inc.	

In addition to the peer group, the consultant included data from other industry data bases and surveys including Watson Wyatt Financial Institutions Benchmark Survey and Pearl Meyer's own annual survey. Data and competitive perspectives were assessed relative to base salary, total cash compensation, short- and long- term incentives, total direct compensation, benefits and other compensation and total compensation. The Committee reviewed data individually and in the aggregate. Data from the review was used to develop pay guidelines and as a reference for decisions for both short-term and long-term compensation.

Elements of the Compensation Program - Detail

Base Pay: Base salary is used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our executives. When establishing base salaries for 2015, as noted previously, the Compensation Committee engaged the services of Pearl Meyer to conduct a comprehensive compensation analysis. One result of this analysis was the establishment of a peer group, detailed above, and the Committee made a decision to target base salaries just above the market median (55th to 75th percentile) of that peer group's base compensation for similarly positioned executives. In addition to the peer group comparison, a variety of other factors are used to determine base compensation, including: the seniority of the individual, the level of the officer's responsibility and the performance of the officer in meeting his/her annual goals. The annual goals of the SEOs, other than the CEO, are set jointly by the CEO and the Officer, and reviewed by the Compensation Committee. These goals are aligned with the Company's annual goals and individualized for the area of responsibility of the SEO. For example, goals of the Senior Loan Officer center on loan growth targets and loan quality parameters, the latter being measured on the basis of loan delinquency rates, level of non-performing loans and amount of loan charge-offs for the year. The CFO has goals based on asset/liability management, investment portfolio performance and quality of financial reporting. As a high-performing

Company with consistent results, specifically in the categories of Return on Assets, Return on Equity and Efficiency Ratio that are typically in the upper third of our peer group, we believe that the base salaries of our executives should be reflective of our performance within our industry. Base salaries are reviewed at least annually by the Compensation Committee. The Compensation Committee, with assistance from Pearl Meyer, has worked to design an effective program to motivate and retain SEOs, which may utilize long-term restricted stock.

Short-Term Incentives

In 2012, the Board of Directors approved a Short-Term Incentive Plan. The five SEOs and certain other senior executives are eligible for incentives under this program, which is part of a total compensation package including base salary, annual incentives, equity and benefits. The philosophy of the Compensation Committee was to set competitive, reasonable base salaries and allow for the potential of meaningful incentives tied to the Company's short-term initiatives to optimize profitability, growth, and excellence in individual performance, and to promote teamwork among its participants.

The plan is designed to:

- Ensure clarity of expectations in terms of expected results;
- Recognize and reward achievement of annual business goals;
- Motivate and reward superior performance;
- Encourage teamwork and collaboration among the Company's leadership and across business groups;
- Attract and retain talent needed to grow the Company/Bank;
- Be competitive with market; and
 - Ensure incentives are appropriately risk-balanced (i.e., do not motivate or reward excessive risk taking).

Employees who are eligible for incentive awards are subject to meeting the following requirements:

New hires must be employed prior to October 1st to be eligible to participate in the plan for the performance period.

Employees hired after that date must wait until the next calendar year to be eligible for an award under the plan.

Eligibility begins the first full month worked. Participants receive a pro-rated award using full months worked during the plan year.

Awards under the plan shall be limited to individuals employed by the Company/Bank on the date of payment, except in the case of disability, death, or retirement.

Participants on a performance improvement plan or with an unsatisfactory performance rating at the time of payment or who have given notice of resignation at the time of payment are not eligible to receive an award.

Each participant had a target incentive opportunity based on his or her role. The target incentive reflected a percentage of base salary determined to be consistent with competitive market practices. Actual awards are based on achievement of specific goals and could range from 0%, for not achieving minimal performance, to 150% of target, for exceptional performance. Each participant had five predefined performance goals used to determine his or her short-term incentive award in three performance categories: Company-wide, individual specific, and discretionary. The goals were then weighted to reflect the focus and contribution for each position in the Company.

The plan is based on a balance of multiple measures, layered oversight, and reasonable ceilings for exceptional performance. The plan is structured to discourage excessive risk taking. The Compensation Committee reviewed the plan design to insure it is in line with best practices for risk. The altering, inflating, and/or inappropriate manipulation of performance/financial results or any other violation of recognized ethical business standards will subject any participant to disciplinary action up to and including termination of employment. In addition, any incentive compensation as provided by the plan to which such a participant would otherwise be entitled will be revoked or subject to "claw back."

The Short-term Incentive Plan operates on a calendar year schedule (January 1 - December 31). Annual cash incentive awards will be paid out by March 15th immediately following the Plan year. Awards granted under this program are intended to be in the form of cash, however while the Company participated in the CPP program the SEOs were not eligible for cash bonuses, so awards granted in these years were in the form of restricted stock.

Since all SEO compensation is paid by the Bank, not the Company, the performance measures for the Short-Term Incentive Plan are based on the Bank's, not the Company's, 2015 performance. The following tables summarize the performance measures, weightings, as well as potential and total payouts for each SEO in 2015:

Officer			Percent of Base		Amount	
Tony McKim	2015 Base Salary					\$375,000
Chief Operating Officer	2015 Incentive Target		30.00	%		\$112,500
	2015 Actual Payout		40.00	%		\$150,000
Performance Measures	Threshold	Target	Stretch	Weight		
Net income	\$14,817,000	\$15,817,000	\$16,817,000	40.00	%	
Return on Average Equity	10.60	% 11.60	% 12.60	15.00	%	
Efficiency Ratio	57.00	% 54.00	% 51.00	15.00	%	
Completion of Strategic Plan	50.00	% 100.00	% 150.00	10.00	%	
Discretionary	50.00	% 100.00	% 150.00	20.00	%	
Incentive Opportunity Range	Threshold	Target	Stretch			
Net income	\$22,500	\$45,000	\$67,500			
Return on Average Equity	8,437	16,875	25,313			
Efficiency Ratio	8,438	16,875	25,313			
Completion of Strategic Plan	5,625	11,250	16,874			
Discretionary	11,250	22,500	33,750			
	\$56,250	\$112,500	\$168,750			
Actual Achievement	Actual	Payout	Weighted Payout	Actual Payout		
	Performance	Allocation	Percent			
Net income	\$16,516,000	135.00	% 54.00	%		\$60,736
Return on Average Equity	12.09	% 124.50	% 18.70	%		21,014
Efficiency Ratio	53.38	% 110.40	% 16.60	%		18,631
Completion of Strategic Plan	141.10	% 141.10	% 14.10	%		15,869
Discretionary	150.00	% 150.00	% 30.00	%		33,750
			133.4	%		\$150,000

In addition to the \$150,000 bonus paid to CEO McKim under the Short-Term Incentive Plan for 2015 performance, the Compensation voted to add \$10,000 to the discretionary component for the exceptional financial results the Company achieved in 2015.

Officer			Percent of Base		Amount	
F. Stephen Ward	2015 Base Salary				\$247,000	
Chief Financial Officer	2015 Incentive Target		25.00	%	\$61,750	
	2015 Actual Payout		31.20	%	\$77,033	
Performance Measures	Threshold	Target	Stretch	Weight		
Net income	\$14,817,000	\$15,817,000	\$16,817,000	40.00		%
Return on Average Equity	10.60	% 11.60	% 12.60	%	15.00	%
Efficiency Ratio	57.00	% 54.00	% 51.00	%	20.00	%
UBPR Investment Yield Spread to Peers	0.50	% 1.00	% 1.50	%	10.00	%
Discretionary	50.00	% 100.00	% 150.00	%	15.00	%
Incentive Opportunity Range	Threshold	Target	Stretch			
Net income	\$12,350	\$24,700	\$37,050			
Return on Average Equity	4,631	9,263	13,894			
Efficiency Ratio	6,175	12,350	18,525			
UBPR Investment Yield Spread to Peers	3,088	6,174	9,263			
Discretionary	4,631	9,263	13,893			
	\$30,875	\$61,750	\$92,625			
Actual Achievement	Actual Performance	Payout Allocation	Weighted Payout Percent		Actual Payout	
Net income	\$16,516,000	135.00	% 54.00	%	\$33,338	
Return on Average Equity	12.09	% 124.50	% 18.70	%	11,534	
Efficiency Ratio	53.38	% 110.40	% 22.10	%	13,635	
UBPR Investment Yield Spread to Peers	2.27	% 150.00	% 15.00	%	9,263	
Discretionary	100.00	% 100.00	% 15.00	%	9,263	
			124.80	%	\$77,033	
Officer			Percent of Base		Amount	
Charles Wootton	2015 Base Salary				\$234,000	
Senior Loan Officer	2015 Incentive Target		25.00	%	\$58,500	
	2015 Actual Payout		32.30	%	\$75,572	
Performance Measures	Threshold	Target	Stretch	Weight		
Net income	\$14,817,000	\$15,817,000	\$16,817,000	40.00		%
Commercial Loans YTD Avg	388,014,000	408,014,000	428,014,000	15.00		%
Bankwide Past Due Loans YTD Avg	1.50	% 1.25	% 1.00	%	15.00	%
Classified Loans to Equity	31.00	% 28.00	% 25.00	%	15.00	%
Discretionary	50.00	% 100.00	% 150.00	%	15.00	%
Incentive Opportunity Range	Threshold	Target	Stretch			
Net income	\$11,750	\$23,400	\$35,100			
Commercial Loans YTD Avg	4,387	8,775	13,162			
Bankwide Past Due Loans YTD Avg	4,388	8,775	13,163			
Classified Loans to Equity	4,388	8,775	13,162			
Discretionary	4,387	8,775	13,163			
	\$29,300	\$58,500	\$87,750			
Actual Achievement	Actual Performance	Payout Allocation	Weighted Payout Percent		Actual Payout	
Net income	\$16,516,000	135.00	% 54.00	%	\$31,583	
Commercial Loans YTD Avg	423,400,000	138.50	% 20.80	%	12,150	
Bankwide Past Due Loans YTD Avg	1.19	% 112.80	% 16.90	%	9,901	
Classified Loans to Equity	21.10	% 150.00	% 22.50	%	13,163	
Discretionary	100.00	% 100.00	% 15.00	%	8,775	

129.20 % \$75,572

Officer			Percent of Base	Amount		
Susan Norton	2015 Base Salary			\$204,000		
HR & Admin	2015 Incentive Target		25.00 %	\$51,000		
	2015 Actual Payout		29.60 %	\$60,379		
Performance Measures	Threshold	Target	Stretch	Weight		
Net income	\$14,817,000	\$15,817,000	\$16,817,000	40.00	%	
Return on Average Equity	10.60	%11.60	%12.60	%	15.00	%
Efficiency Ratio	57.00	%54.00	%51.00	%	15.00	%
Personnel Expense to Average Assets	0.90	%1.00	%1.10	%	15.00	%
Discretionary	50.00	%100.00	%150.00	%	15.00	%
Incentive Opportunity Range	Threshold	Target	Stretch			
Net income	\$10,200	\$20,400	\$30,600			
Return on Average Equity	3,825	7,650	11,475			
Efficiency Ratio	3,825	7,650	11,475			
Personnel Expense to Average Assets	3,825	7,650	11,475			
Discretionary	3,825	7,650	11,475			
	\$25,500	\$51,000	\$76,500			
Actual Achievement	Actual	Payout	Weighted Payout			
	Performance	Allocation	Percent			
Net income	\$16,516,000	135.00	%54.00	%	\$27,534	
Return on Average Equity	12.09	%124.00	%18.70	%	9,526	
Efficiency Ratio	53.38	%11.40	%16.60	%	8,446	
Personnel Expense to Average Assets	0.99	%94.40	%14.20	%	7,223	
Discretionary	100.00	%100.00	%15.00	%	7,650	
			118.50	%	\$60,379	

Officer			Percent of Base	Amount		
Richard Elder	2015 Base Salary			\$175,000		
Senior Retail Officer	2015 Incentive Target		25.00	%	\$43,750	
	2015 Actual Payout		31.40	%	\$55,007	
Performance Measures	Threshold	Target	Stretch	Weight		
Net income	\$14,817,000	\$15,817,000	\$16,817,000	40.00	%	
Return on Average Equity	10.60	% 11.60	% 12.60	%	20.00	%
Efficiency Ratio	57.00	% 54.00	% 51.00	%	15.00	%
Consumer/Residential Fee Income	300,000	335,000	370,000		10.00	%
Discretionary	50.00	% 100.00	% 150.00	%	15.00	%
Incentive Opportunity Range	Threshold	Target	Stretch			