

UNIVEST CORP OF PENNSYLVANIA  
Form DEF 14A  
March 16, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**Univest Corporation of Pennsylvania**

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

Edgar Filing: UNIVEST CORP OF PENNSYLVANIA - Form DEF 14A

(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:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



14 North Main Street P.O. Box 64197

Souderton, Pennsylvania 18964

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

April 17, 2012

**TO THE HOLDERS OF COMMON STOCK:**

The Annual Meeting of Shareholders of Univest Corporation of Pennsylvania will be held on Tuesday, April 17, 2012, at 10:45 a.m., in the Univest Building, 14 North Main Street, Souderton, Pennsylvania.

Univest's Board of Directors recommends a vote:

1. FOR the election of three Class I Directors each for a three-year term expiring in 2015 and until their successors are elected and qualified.
2. FOR the election of one Alternate Director for a one-year term expiring in 2013 and until his successor is elected and qualified.
3. FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2012.
4. FOR the advisory vote to approve named executive officer compensation as presented in this Proxy Statement.

Other business, of which none is anticipated, as may properly come before the meeting or any postponements or adjournments thereof will be transacted.

The close of business on February 24, 2012, has been fixed by the Board of Directors as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting.

The accompanying Proxy Statement forms a part of this notice.

SEPARATE PROXY CARDS ARE ENCLOSED TO SHAREHOLDERS FOR THE PURPOSE OF VOTING ALL THEIR SHARES OF THE CORPORATION'S COMMON STOCK. IT IS IMPORTANT THAT EACH SHAREHOLDER EXERCISE HIS/HER RIGHT TO VOTE. Whether or not you plan to attend the meeting, please take a moment now to cast your vote over the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or alternatively, to complete, sign, and date the enclosed proxy card and return it in the postage-paid envelope we have provided in order that your shares will be represented at the meeting. If you attend the meeting, you may vote in person. If you need directions to attend the annual meeting, you may contact the Secretary of Univest by telephone at 215-721-8397 or by e-mail at [TejklK@univest.net](mailto:TejklK@univest.net).

By Order of the Board of Directors

WILLIAM S. AICHELE

*Chairman*

KAREN E. TEJKL

*Secretary*

March 16, 2012

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF**

**PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON APRIL 17, 2012.**

**This Proxy Statement, the Notice of Annual Meeting of Shareholders, a form of the Proxy Card and the 2011 Annual Report to Shareholders (which is not a part of the proxy soliciting material) are available at [www.proxyvote.com](http://www.proxyvote.com).**

---

**PROXY STATEMENT**

The accompanying proxy is solicited by the Board of Directors (the Board) of Uninvest Corporation of Pennsylvania (the Corporation or Uninvest), 14 North Main Street, P.O. Box 64197, Souderton, Pennsylvania 18964, for use at the Annual Meeting of Shareholders to be held April 17, 2012, and at any adjournment thereof. Copies of this Proxy Statement and proxies to vote the Common Stock are being sent to the shareholders on or about March 16, 2012. Any shareholder executing a proxy may revoke it at any time by giving written notice to the Secretary of the Corporation before it is voted. Some of the officers of the Corporation or employees of Uninvest Bank and Trust Co. (the Bank) and other subsidiary companies or employees of Broadridge, Inc., the Corporation's transfer agent, may solicit proxies personally and by telephone, if deemed necessary. The Corporation will bear the cost of solicitation and will reimburse brokers or other persons holding shares of the Corporation's voting stock in their names, or in the names of their nominees, for reasonable expense in forwarding proxy cards and proxy statements to beneficial owners of such stock.

The person named in the proxy will vote in accordance with the instructions of the shareholder executing the proxy, or in the absence of any such instruction, for or against on each matter in accordance with the recommendations of the Board set forth in the proxy.

Uninvest's Board of Directors recommends a vote:

1. FOR the election of three Class I Directors each for a three-year term expiring in 2015 and until their successors are elected and qualified.
2. FOR the election of one alternate Director for a one-year term expiring in 2013 and until his successor is elected and qualified.
3. FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2012.
4. FOR the advisory vote to approve named executive officer compensation as presented in this Proxy Statement.

The Board has fixed the close of business on February 24, 2012, as the record date for the determination of shareholders entitled to notice and to vote at the Annual Meeting. As of February 24, 2012, there were 18,266,404 issued and 16,774,174 outstanding shares of Common Stock (exclusive of 1,492,230 shares held as treasury stock which will not be voted).

Holders of record of the Corporation's Common Stock on February 24, 2012 will be entitled to one vote per share on all business of the meeting. The nominees for election as Class I Directors who receive the highest number of votes cast, in person or by proxy, at the meeting will be elected as Class I Directors. The nominee for election as the alternate Director who receives the highest number of votes cast, in person or by proxy, at the meeting will be elected as the alternate Director. Shareholders cannot cumulate votes for the election of Directors. The other matters of business listed in this proxy will be decided by the affirmative vote of a majority of all votes cast, in person and by proxy, at the meeting.

The presence in person or by proxy of the holders of the majority of the outstanding shares of Common Stock will constitute a quorum for the transaction of business at the meeting. If you are the beneficial owner of shares held in the name of a broker, trustee or other nominee and do not provide that broker, trustee or other nominee with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. These matters include the election of Directors and the proposal regarding executive compensation. Broker non-votes for these proposals are the equivalent to a vote against the proposal. It is very important that you give your broker voting instructions. Abstentions also have the effect of a negative vote.

As of February 24, 2012, Uninvest Bank and Trust Co. held 944,341 shares or 5.6% of the Corporation's outstanding Common Stock in various trust accounts in a fiduciary capacity in its Trust Department. No one trust account has 5% or more of the Corporation's Common Stock.

A copy of the Annual Report to Shareholders, including financial statements for the year ended December 31, 2011, was mailed on March 16, 2012 to each shareholder of record as of February 24, 2012. The Annual Report is not a part of the proxy soliciting material.



**SPECIAL CAUTIONARY NOTICE REGARDING**

**FORWARD-LOOKING STATEMENTS**

The information contained in this Proxy Statement and the documents that have been incorporated herein by reference may contain forward-looking statements. When used or incorporated by reference in disclosure documents, the words believe, anticipate, estimate, expect, project, target, goal and similar expressions are intended to identify forward-looking statements within the meaning of section 27A of the Securities Act of 1933. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including those set forth below:

Operating, legal and regulatory risks

Economic, political and competitive forces impacting various lines of business

The risk that our analysis of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful

Volatility in interest rates

Other risks and uncertainties

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, expected or projected. These forward-looking statements speak only as of the date of this Proxy Statement. Uninvest expressly disclaims any obligation to publicly release any updates or revisions to reflect any change in Uninvest's expectations with regard to any change in events, conditions or circumstances on which any such statement is based.

**ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS**

The person named in the accompanying proxy intends to vote to elect as Directors the nominees listed below in each case, unless authority to vote for Directors is withheld in the proxy. The Bylaws authorize the Board to fix the number of Directors to be elected from time-to-time. By proper motion, it has established the number at three Class I Directors each to be elected for a three-year term expiring in 2015 and one Alternate Director to be elected for a one-year term expiring in 2013.

The Nominating Committee has recommended the slate of nominees listed below for election as Class I Directors and Alternate Directors. Management has been informed that all the nominees are willing to serve as directors, but if any of them should decline or be unable to serve, the persons named in the proxy will vote for the election of such other person or persons as may be designated by the Board, unless the Board reduces the number of directors in accordance with the Corporation's Bylaws.

**The following information, as of February 24, 2012, is provided with respect to the nominees for election to the Board.**

Name	September 30, Age	September 30, Business Experience	September 30, Director Since**
<b>Class I Director (each continuing for a three-year term expiring at the 2015 Annual Meeting of Shareholders):*</b>			
William S. Aichele	61	Chairman, President and CEO of the Corporation and Chairman of the Bank	1990
H. Paul Lewis	68	Retired Executive Vice President of the Bank;	2008



Edgar Filing: UNIVEST CORP OF PENNSYLVANIA - Form DEF 14A

		Vice President/Sales Agent, Bucks County Commercial Realty, Inc.	
Mark A. Schlosser	47	Secretary/Treasurer, Schlosser Steel, Inc.	2005
<b>Alternate Director (to be elected for a one-year term expiring at the 2013 Annual Meeting of Shareholders):*</b>			
K. Leon Moyer	62	Vice Chairman of the Corporation and President and Chief Executive Officer of the Bank	2005

The following Directors are not subject to election now as they were elected in prior years for terms expiring in future years.

Name	September 30, Age	September 30, Business Experience	September 30, Director Since**
<b>Class II Directors (each continuing for a three-year term expiring at the 2013 Annual Meeting of Shareholders):</b>			
William G. Morral, CPA	65	Financial Consultant; Former CFO, Moyer Packing Company	2002
Margaret K. Zook	66	Board Chair, The Penn Foundation; Retired Executive Director, Souderton Mennonite Homes (Retirement Community)	1999
<b>Class III (each to be elected for a three-year term expiring at the 2014 Annual Meeting of Shareholders):</b>			
Douglas C. Clemens	55	President, Clemens Food Group	2009
R. Lee Delp	65	Principal, R. L. Delp & Company (Business Consulting)	1994
H. Ray Mininger	71	Vice President/Secretary, H. Mininger & Son, Inc. (General Contractor)	1995
P. Gregory Shelly	66	President, Shelly Enterprises, Inc. (Building Materials)	1985

\* All nominees are now directors or alternate directors respectively.

\*\* Dates indicate initial year as a director or alternate director of Uninvest or the Bank.

The following information, as of February 24, 2012, is provided with respect to the Named Executive Officers of the Corporation not serving as a Director or Alternate Director of the Board.

Name	September 30, Age	September 30, Current Primary Positions	September 30, Current Position Since
Duane J. Brobst	59	Executive Vice President and Chief Risk Officer of the Corporation and the Bank; (Has been employed by the Corporation for the past seventeen years, most recently as Chief Credit Officer prior to this position)	2008
Kenneth D. Hochstetler	50	Senior Executive Vice President of the Corporation and the Bank and President of Uninvest Investments	2004
Jeffrey M. Schweitzer	38	Senior Executive Vice President and Chief Financial Officer of the Corporation and the Bank (Prior to joining the Corporation in 2007, was employed for twelve years at Ernst & Young, LLP, most recently as senior manager)	2007

### Beneficial Ownership of Directors and Officers

Set forth below is certain information concerning the beneficial ownership of our common stock by each director, each nominee for director, each named executive officer, and all directors and executive officers as a group as of February 24, 2012, the record date. As of February 24, 2012, there were no persons who owned of record or who are known by the Board of Directors to be beneficial owners of more than 5% of the Corporation's common stock.

Name	September 30, Number of Shares	September 30, Percent
William S. Aichele (1)	239,560	1.43%
Douglas C. Clemens	10,878	**
R. Lee Delp (2)	12,107	**
H. Paul Lewis	7,808	**
H. Ray Mininger (3)	31,162	**
William G. Morral (4)	32,613	**
K. Leon Moyer (5)	123,770	**
Mark A. Schlosser (6)	22,276	**
P. Gregory Shelly (7)	125,845	**
Margaret K. Zook	1,242	**
Jeffrey M. Schweitzer (8)	30,308	**
Kenneth D. Hochstetler (9)	58,684	**
Duane J. Brobst (10)	42,557	**
All Directors and Executive Officers as a Group (13 persons)	738,810	4.40%

\* The shares Beneficially owned may include shares owned by or for, among others, the spouse and/or minor children of the individuals and any other relative who has the same home as such individual, as well as other shares as to which the individual has or shares voting or investment power. Beneficial ownership may be disclaimed as to certain of the securities. No securities are pledged as collateral or security. The table includes shares and options to purchase shares that will vest within 60 days of February 24, 2012.

\*\* Beneficially owns less than 1% of the outstanding shares of the Common Stock of the Corporation.

- (1) Includes 12,065 shares in the Univest Deferred Salary Savings Plan in which Mr. Aichele has a pecuniary interest. He disclaims beneficial ownership of these shares. Also included are 53,249 shares which may be acquired by the exercise of vested stock options.
- (2) Includes 12,107 shares owned by a member of Mr. Delp's family. He disclaims beneficial ownership of these shares.
- (3) Includes 8,765 shares over which Mr. Mininger shares voting and/or investment power and 985 shares owned by a member of his family. He disclaims beneficial ownership of these shares.
- (4) Includes 3,369 shares owned by members of Mr. Morral's family and 2,268 shares over which he shares voting and/or investment power. He disclaims beneficial ownership of these shares.
- (5) Includes 6,973 shares owned by members of Mr. Moyer's family. He disclaims beneficial ownership of these shares. Also included are 24,166 shares which may be acquired by the exercise of vested stock options.

## Edgar Filing: UNIVEST CORP OF PENNSYLVANIA - Form DEF 14A

- (6) Includes 21,433 shares over which Mr. Schlosser shares voting and/or investment power and 843 shares owned by a member of his family. He disclaims beneficial interest of these shares.
- (7) Includes 41,082 shares owned by members of Mr. Shelly's family. He disclaims beneficial ownership of these shares.
- (8) Includes 4,000 shares which may be acquired by the exercise of vested stock options.
- (9) Includes 11,601 shares which may be acquired by the exercise of vested stock options.
- (10) Includes 9,250 shares which may be acquired by the exercise of vested stock options.

### **Compliance with Section 16 (a) of the Securities Exchange Act of 1934**

Section 16 (a) of the Securities Exchange Act of 1934 requires the Corporation's Directors and Executive Officers, and persons who own more than ten percent of a registered class of the Corporation's equity securities, to file with the Securities and Exchange Commission (the SEC) initial reports of ownership and reports of changes in ownership of Common Shares and other equity securities of the Corporation. Officers, Directors and greater than ten percent shareholders are required by SEC regulations to furnish the Corporation with copies of all Section 16 (a) forms they file.

To the Corporation's knowledge, based solely on a review of the copies of such reports furnished to the Corporation and written representations that no other reports were required during the fiscal year ended December 31, 2011, all Section 16 (a) reports by its Officers, Directors and greater than ten percent beneficial owners were timely filed except reports filed by: Mark A. Schlosser for the purchase of 1,000 shares of Common Stock on March 7, 2011; and, Douglas C. Clemens for the purchase of 1,400 shares of Common Stock on August 12, 2011 and for the purchase of 1,500 shares of Common Stock on August 17, 2011 - all of which were inadvertently filed late.

### The Board, the Board's Committees and Their Functions

The Corporation's Board met ten (10) times during 2011. All of the Directors attended at least 75% of the meetings of the Board and of the committees of which they were members. All Directors are encouraged to attend the annual meeting of Shareholders. In 2011, all Directors were present at the annual shareholder's meeting. The Board has established a number of committees, including the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, each of which is described below.

All shareholder correspondence to the Board may be sent to the Corporation and will be forwarded to the appropriate Board member or committee chair. To contact any Board members or committee chairs, please mail your correspondence to:

Univest Corporation

Attention (Board Member's name)

Office of the Corporate Secretary

14 N. Main Street

P.O. Box 64197

Souderton, PA 18964

Our Board of Directors determined that all directors, with the exception of Messrs. Aichele and Mininger, are independent within the meaning of the listing standards of the NASDAQ Stock Market and SEC regulations. The Board has determined that a lending relationship resulting from a loan made by the Bank to a director would not affect the determination of independence if the loan complies with Regulation O under the federal banking laws. The Board also determined that maintaining with the Bank a deposit, savings or similar account by a director or any of the director's affiliates would not affect the determination of independence if the account is maintained on the same terms and conditions as those available to similarly situated customers.

Mr. Aichele is the current President and CEO of the Corporation and is Chairman of the Bank. Mr. Mininger is an officer of a builder engaged by the Corporation to perform building expansion projects in the normal course of business on substantially the same terms as available from others. For more information, see Related-Party Transactions

There are no family relationships among our directors or executive officers.

#### Board of Director Committees for the Fiscal Year Ended December 31, 2011

Board Member	September 30, Audit	September 30, Compensation	September 30, Nominating and Governance
William S. Aichele	X		
Douglas C. Clemens		Chairman	Chairman
R. Lee Delp	X		X
H. Paul Lewis			
H. Ray Mininger		X	
William G. Morral	Chairman	X	
Mark A. Schlosser		X	X
P. Gregory Shelly	X	X	X

#### Audit Committee

The Audit Committee's responsibilities include: annual review of and recommendation to the Board for the selection of the Corporation's independent registered public accounting firm, review with the internal auditors and independent registered public accounting firm the overall scope and plans for the respective audits as well as the results of such audits, and review with management, the internal auditors and independent registered public accounting firm the effectiveness of accounting and financial controls, and interim and annual financial reports. All of the members of the Audit Committee are independent as defined in the listing standards of the NASDAQ Stock Market and SEC regulations.



As of January 1, 2011, William G. Morral was named Chairman of the Audit Committee. The Board has determined that Mr. Morral meets the requirements adopted by the SEC and the NASDAQ Stock Market for qualification as an audit committee financial expert. Mr. Morral has served as a member of the Board since 2002. Mr. Morral is a certified public accountant and has experience in the public accounting field as a former partner at Arthur Young and Co. (now Ernst & Young LLP). Mr. Morral's past employment experience as Senior Vice President and Chief Financial Officer of Moyer Packing Company for sixteen years included active supervision of finance, accounting, audit, credit, information technology, payables and payroll, providing him with a high level of financial sophistication, as well as a comprehensive knowledge of internal controls and audit committee functions. An audit committee financial expert is defined as a person who has the following attributes: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal controls and procedures for financial reporting; and (v) an understanding of audit committee functions.

The identification of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than those that are imposed on such person as a member of the Audit Committee and the Board in the absence of such identification. Moreover, the identification of a person as an audit committee financial expert for purposes of the regulations of the Securities and Exchange Commission does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board. Additionally, a person who is determined to be an audit committee financial expert will not be deemed an expert for purposes of Section 11 of the Securities Act of 1933.

The Board approved an updated Audit Committee Charter in January 2012. Also at the January 2012 meeting of the Audit Committee, the Committee re-approved the Audit and Non-Audit Services Pre-Approval Policy. Copies of these documents may be found on the Corporation's Web Site: [www.univest.net](http://www.univest.net) in the INVESTORS section under Governance Documents.

#### **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee (Committee) met five (5) times during 2011. The Committee has reviewed and discussed the audited consolidated financial statements of the Corporation for the year ended December 31, 2011, with the Corporation's management. The Committee has discussed with KPMG LLP (KPMG), the Corporation's independent registered public accounting firm for the fiscal year ended December 31, 2011, the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 (Communication with Audit Committees), as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, and SAS No. 99 (Consideration of Fraud in a Financial Statement Audit.)

The Committee has also received the written disclosures and the letter from KPMG required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and the Committee has discussed the independence of KPMG with that firm.

Based on the Committee's review and discussions noted above, the Committee recommended to the Board that the Corporation's audited consolidated financial statements be included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the Securities and Exchange Commission.

Univest Audit Committee:

William G. Morral, Chairman

Douglas C. Clemens

H. Paul Lewis

P. Gregory Shelly

**Ratification of the Appointment of Independent Registered Public Accounting Firm**

The audit committee of our board has appointed KPMG LLP as our independent registered public accounting firm for 2012. KPMG LLP was first engaged as our independent registered public accounting firm in 2004 and has audited our financial statements for 2011.

Although shareholder ratification of the appointment of KPMG LLP as our independent registered public accounting firm is not required by our bylaws or otherwise, our board has decided to afford our shareholders the opportunity to express their opinions on the matter of our independent registered public accounting firm. Even if the selection is ratified, the audit committee in its discretion may select a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of us and our shareholders. If our shareholders do not ratify the appointment, the audit committee will take that fact into consideration, together with such other facts as it deems relevant, in determining its next selection of an independent registered public accounting firm.

A representative from KPMG, as independent registered public accounting firm for the current fiscal year, is expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

**Independent Registered Public Accounting Firm Fees**

The following table presents fees for professional services rendered by KPMG for the integrated audit, including an audit of the Corporation's annual financial statements and internal controls over financial reporting, and fees billed for other services rendered by KPMG:

	September 30, 2011	September 30, 2010 <sup>(3)</sup>
Audit Fees: Annual Report and Quarterly Reviews	\$ 561,055	\$ 456,516
Audit Related Fees <sup>(1)</sup>	130,857	124,525
Tax Fees <sup>(2)</sup>	102,989	86,507
Total Fees	\$ 794,901	\$ 667,548

- (1) Includes audit of benefit plans, broker-dealer FOCUS report audit, HUD report audit and student loan agreed upon procedures; 100% of these fees were approved pursuant to the Audit Committee's pre-approval policy and procedures.
- (2) Includes preparation of federal and state tax returns and tax compliance issues; 100% of these fees were approved pursuant to the Audit Committee's pre-approval policy and procedures.
- (3) Prior period information has been revised to include fees billed and paid for the 2010 audit after the preparation of the 2010 Proxy Statement.

**EXECUTIVE COMPENSATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

The principal objective of the Corporation is to maximize shareholder value through the development and enhancement of the Corporation's business operations. To further that objective, the Corporation's executive compensation program is designed to:

Attract and retain employees in leadership positions in the Corporation by recognizing the importance of these individuals in carrying out the Corporation's Mission Statement, Core Values and Vision Statement: To be the best integrated financial solutions provider in the market. These key statements are critical in keeping us focused on our short-term and long-term goals for the success of the Corporation.



## Edgar Filing: UNIVEST CORP OF PENNSYLVANIA - Form DEF 14A

Support strategic performance objectives through the use of compensation programs. The goal of the executive compensation program is to provide the executive with a total compensation package competitive with the market and industry in which the Corporation operates, and to promote the long-term goals, stability and performance of the Corporation. By doing this, we will align the interests of management with those of our shareholders.

Support the Corporation's management development and succession plans.

Create a mutuality of interest between executive officers and shareholders through compensation structures that share the rewards and risks of strategic decision-making.

Require executives to acquire substantial levels of ownership of Corporation stock in order to better align the executives interests with those of the shareholders interests through a variety of plans.

Ensure, to the extent possible, that compensation has been and will continue to be tax deductible.

An executive's total compensation is composed of three primary components: base salary compensation, annual incentive compensation, and long-term incentive compensation. Each component is based on individual and group performance factors, which are measured objectively and subjectively by the Compensation Committee. Although there are no formal guidelines with respect to the amount of each named executive officer's compensation that is in the form of base salary, annual incentive compensation and long-term incentive compensation, in general the compensation program results in the approximate following payouts:

	September 30, Base Salary	September 30, Annual Incentive Compensation	September 30, Long-Term Incentive Compensation	September 30, Total Compensation
CEO Corporation	50.0%	25.0%	25.0%	100.0%
CEO Bank	50.0%	20.0%	30.0%	100.0%
SEVP	50.0%	20.0%	30.0%	100.0%
EVP	65.0%	15.0%	20.0%	100.0%

As a result of the annual incentive paid for 2011 being above target, the actual payout of total compensation for 2011, consisting of base salary, annual incentive compensation and long-term incentive stock option and restricted stock grants, differed from the table above and was as follows:

	September 30, Base Salary	September 30, Annual Incentive Compensation	September 30, Long-Term Incentive Compensation	September 30, Total Compensation
CEO Corporation	43.7%	30.4%	25.9%	