

Northwest Bancshares, Inc.
Form DEF 14A
March 21, 2011
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
Filed by the Registrant
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 Rule §240.14a-12

NORTHWEST BANCSHARES, INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on the table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Edgar Filing: Northwest Bancshares, Inc. - Form DEF 14A

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:

March 11, 2011

Dear Stockholder:

We cordially invite you to attend the 2011 Annual Meeting of Stockholders of Northwest Bancshares, Inc., the parent company of Northwest Savings Bank. The Annual Meeting will be held at The Struthers Library Theatre, located at 302 W. Third Avenue, Warren, Pennsylvania, at 11:00 a.m. (Pennsylvania time) on April 20, 2011.

The enclosed Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted. During the Annual Meeting we will also report on the operations of Northwest Bancshares, Inc. Our directors and officers, as well as a representative of our independent registered public accounting firm, will be present to respond to any questions that stockholders may have.

The business to be conducted at the Annual Meeting includes the election of three directors, the ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the year ending December 31, 2011, the consideration of an advisory, non-binding resolution to approve the executive compensation described in the Proxy Statement, the consideration of an advisory, non-binding proposal with respect to the frequency that stockholders will vote on our executive compensation and the approval of the Northwest Bancshares, Inc. 2011 Equity Incentive Plan.

Our Board of Directors has determined that the matters to be considered at the Annual Meeting are in the best interests of Northwest Bancshares, Inc. and its stockholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote "FOR" each matter to be considered and that stockholders mark the "1 YEAR" option with respect to the advisory proposal on the frequency of the stockholders' vote on executive compensation.

Also enclosed for your review is our Annual Report on Form 10-K for the year ended December 31, 2010, which contains detailed information concerning our activities and operating performance. On behalf of the Board of Directors, please take a moment now to cast your vote via the Internet or by telephone as described on the enclosed proxy card, or alternatively, complete, sign, date and return the proxy card in the postage-paid envelope provided. Voting in advance of the Annual Meeting will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the Annual Meeting.

Sincerely,
William J. Wagner
Chairman of the Board,
President and Chief Executive Officer

NORTHWEST BANCSHARES, INC.
100 Liberty Street
Warren, Pennsylvania 16365-2353
(814) 726-2140

NOTICE OF
2011 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On April 20, 2011

Notice is hereby given that the 2011 Annual Meeting of Stockholders of Northwest Bancshares, Inc. will be held at The Struthers Library Theatre, 302 W. Third Avenue, Warren, Pennsylvania, on April 20, 2011 at 11:00 a.m., Pennsylvania time.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

The Meeting is for the purpose of considering and acting upon:

1. The election of three directors;
2. The ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the year ending December 31, 2011;
3. An advisory, non-binding resolution to approve the executive compensation described in the Proxy Statement;
4. An advisory, non-binding proposal with respect to the frequency that stockholders will vote on our executive compensation;
5. The approval of the Northwest Bancshares, Inc. 2011 Equity Incentive Plan; and

such other matters as may properly come before the Meeting, or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Meeting.

Any action may be taken on the foregoing proposals at the Meeting on the date specified above, or on any date or dates to which the Meeting may be adjourned. Stockholders of record at the close of business on February 28, 2011, are the stockholders entitled to vote at the Meeting, and any adjournments thereof.

EVEN IF YOU DO NOT PLAN TO ATTEND THE MEETING, YOU MAY CHOOSE TO VOTE YOUR SHARES USING THE INTERNET OR TELEPHONE VOTING OPTIONS EXPLAINED ON YOUR PROXY CARD OR BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD WITHOUT DELAY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ANY PROXY THAT YOU GIVE MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED. YOU MAY REVOKE A PROXY BY FILING WITH THE SECRETARY OF NORTHWEST BANCSHARES, INC. A WRITTEN REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE. IF YOU ATTEND THE MEETING YOU MAY REVOKE YOUR PROXY AND VOTE PERSONALLY ON EACH MATTER BROUGHT BEFORE THE MEETING. HOWEVER, IF YOUR SHARES ARE NOT REGISTERED IN YOUR NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM YOUR RECORD HOLDER TO VOTE PERSONALLY AT THE MEETING.

By Order of the Board of Directors

Gregory C. LaRocca
Executive Vice President and Corporate Secretary

Warren, Pennsylvania

March 11, 2011

A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO
POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.

Proxy Statement

NORTHWEST BANCSHARES, INC.
100 Liberty Street
Warren, Pennsylvania 16365-2353
(814) 726-2140

2011 ANNUAL MEETING OF STOCKHOLDERS
April 20, 2011

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Northwest Bancshares, Inc. to be used at the 2011 Annual Meeting of Stockholders of Northwest Bancshares, Inc., which will be held at The Struthers Library Theatre, 302 W. Third Avenue, Warren, Pennsylvania, on April 20, 2011, at 11:00 a.m., Pennsylvania time, and all adjournments of the annual meeting. The accompanying Notice of Annual Meeting of Stockholders and this Proxy Statement are first being mailed to stockholders on or about March 21, 2011.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Holders of record of our shares of common stock, par value \$0.01 per share, as of the close of business on February 28, 2011 are entitled to one vote for each share then held. As of February 28, 2011, there were 109,154,655 shares of common stock issued and outstanding. The presence in person or by proxy of a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum at the annual meeting. Abstentions and broker non-votes will be counted for purposes of determining that a quorum is present.

As to the election of directors, the Proxy Card being provided by the Board of Directors enables a stockholder to vote FOR ALL NOMINEES proposed by the Board, to WITHHOLD AUTHORITY FOR ALL NOMINEES or to vote FOR ALL EXCEPT one or more of the nominees being proposed. Directors are elected by a plurality of votes cast, without regard to either broker non-votes, or proxies as to which the authority to vote for the nominees being proposed is withheld.

As to the ratification of KPMG LLP as our independent registered public accounting firm, by checking the appropriate box, a stockholder may: (i) vote FOR the ratification; (ii) vote AGAINST the ratification; or (iii) ABSTAIN from voting on such ratification. The affirmative vote of a majority of the votes cast at the Annual Meeting, without regard to either broker non-votes, or shares as to which the "ABSTAIN" box has been selected on the proxy card, is required for the approval of this matter.

As to the advisory, non-binding resolution to approve our executive compensation as described in this Proxy Statement, a stockholder may: (i) vote FOR the resolution; (ii) vote "AGAINST" the resolution; or (iii) ABSTAIN from voting on the resolution. The affirmative vote of a majority of the votes cast at the Annual Meeting, without regard to either broker non-votes, or shares as to which the "ABSTAIN" box has been selected on the proxy card, is required for the approval of this non-binding resolution. While this vote is required by law, it will neither be binding on Northwest Bancshares, Inc. or the Board of Directors, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on Northwest Bancshares, Inc. or the Board of Directors.

As to the advisory, non-binding proposal with respect to the frequency that stockholders will vote on our executive compensation, a stockholder may select that stockholders: (i) consider the proposal every 1 YEAR; (ii) consider the proposal every 2 YEARS; (iii) consider the proposal every 3 YEARS; or (iv) ABSTAIN from voting on the proposal. Generally, approval of any matter presented to stockholders requires the affirmative vote of a majority of the votes cast. However, because this vote is advisory and non-binding, if none of the frequency options receive a majority of

the votes cast, the option receiving the greatest number of votes will be considered the frequency recommended by Northwest Bancshares, Inc.'s stockholders. Even though this vote will neither be binding on Northwest Bancshares, Inc. or the Board of Directors, nor will it create or imply any change in the fiduciary duties

of, or impose any additional fiduciary duty on Northwest Bancshares, Inc. or the Board of Directors, the Board of Directors will take into account the outcome of this vote in making a determination on the frequency that advisory votes on executive compensation will be included in our proxy statements.

As to the approval of the Northwest Bancshares, Inc. 2011 Equity Incentive Plan, by checking the appropriate box, a stockholder may: (i) vote FOR the approval; (ii) vote AGAINST the approval; or (iii) ABSTAIN from voting on such matter. The affirmative vote of a majority of the votes cast at the Annual Meeting, without regard to either broker non-votes, or shares as to which the “ABSTAIN” box has been selected on the proxy card, is required for the approval of this matter.

As provided in Section D of Article 5 of our Articles of Incorporation, record holders who beneficially own in excess of 10% of the outstanding shares of our common stock are not entitled to vote any shares held in excess of this 10% limit. Subject to certain exceptions, a person is deemed to beneficially own shares owned by an affiliate of, as well as by persons acting in concert with, such person. The Board of Directors of Northwest Bancshares, Inc. is authorized to construe and apply the provisions of Section D of Article 5 of the Articles of Incorporation, and to make all determinations it deems necessary or desirable to implement them, including determining the number of shares beneficially owned by any person and whether a person is an affiliate of or has an arrangement or agreement with another person, and to demand certain information from any person who is reasonably believed to beneficially own stock in excess of the 10% limit and reimbursement for all expenses incurred by Northwest Bancshares, Inc. in connection with an investigation conducted by the Board of Directors pursuant to the provisions of Article 5, Section D of the Articles of Incorporation.

If you have selected a broker, bank, or other intermediary to hold your common stock rather than having them directly registered with our transfer agent, American Stock Transfer & Trust Company, you will receive instructions directly from your broker, bank, or other intermediary in order to vote your shares. Your brokerage firm may also provide the ability to vote your proxy by telephone or online. Please be advised that if you choose to not vote your proxy, your brokerage firm has the authority under applicable stock market rules to vote your shares “FOR” or “AGAINST” routine matters. The ratification of the appointment of the independent registered public accounting firm is deemed to be a routine matter. Accordingly, we urge you to vote by following the instructions provided by your broker, bank, or other intermediary.

Persons and groups who beneficially own in excess of 5% of our shares of common stock are required to file certain reports with the Securities and Exchange Commission regarding such ownership pursuant to the Securities Exchange Act of 1934. The following table sets forth, as of February 28, 2011, the shares of our common stock beneficially owned by each person known to us who was the beneficial owner of more than 5% of the outstanding shares of our common stock.

Name and Address of Beneficial Owners	Amount of Shares Owned and Nature of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding	
Capital World Investors (2) 333 South Hope Street Los Angeles, CA 90071	8,187,500	7.4	%

Wellington Management Company, LLP (3) 280 Congress Street Boston, MA 02210	6,621,257	6.0	%
---	-----------	-----	---

-
- (1) In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, a person is deemed to be the beneficial owner for purposes of this table, of any shares of common stock if he has shared voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from the date as of which beneficial ownership is being determined. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares, and includes all shares held directly as well as by spouses and minor children, in trust and other indirect ownership, over which shares the named individuals effectively exercise sole or shared voting or investment power.
- (2) As disclosed in Amendment 1 to Schedule 13G, as filed with the Securities and Exchange Commission on February 14, 2011.
- (3) As disclosed in a Schedule 13G, as filed with the Securities and Exchange Commission on February 14, 2011. Wellington Management Company, LLP ("Wellington Management"), in its capacity as an investment adviser, may be deemed to have beneficial ownership of 6,621,257 shares of common stock that are owned by numerous investment advisory clients, none of which is known to have such interest with respect to more than 5% of the class of shares. Wellington Management is a registered investment adviser under the Investment Advisers Act of 1940, as amended.

REVOCATION OF PROXIES

Stockholders who execute proxies in the form solicited hereby retain the right to revoke them in the manner described below. Unless so revoked, the shares represented by such proxies will be voted at the annual meeting and all adjournments thereof. Proxies solicited on behalf of our Board of Directors will be voted in accordance with the directions given thereon. You may vote by Internet or telephone as described on your Proxy Card. You may also vote by signing and returning your Proxy Card to Northwest Bancshares, Inc. Proxies we receive that are signed, but contain no instructions for voting, will be voted "FOR" the proposals set forth in this Proxy Statement for consideration at the annual meeting and for the "1 YEAR" option with respect to the advisory proposal on the frequency of the stockholders' vote on executive compensation.

Proxies may be revoked by sending written notice of revocation to the Secretary of Northwest Bancshares, Inc., Gregory C. LaRocca, at the address shown above, or by returning a duly executed proxy bearing a later date by mail, or voting on a later date by Internet or telephone, as described on your Proxy Card. The presence at the annual meeting of any stockholder who had given a proxy shall not revoke such proxy unless the stockholder delivers his or her ballot in person at the annual meeting or delivers a written revocation to the Secretary prior to the voting of such proxy.

PROPOSAL 1 — ELECTION OF DIRECTORS

Our Board of Directors currently consists of ten members. Our bylaws provide that directors are divided into three classes, as nearly equal in number as reasonably possible, such that approximately one-third of the directors are to be elected annually. Our directors are generally elected to serve for a three-year period, or a shorter period if the director is elected to fill a vacancy, and until their respective successors shall have been elected and shall qualify. Three directors will be elected at the annual meeting and will serve until their successors have been elected and qualified. The Nominating Committee has nominated William J. Wagner, A. Paul King and Sonia M. Probst to serve as directors for three-year terms. Messrs. Wagner and King are currently members of the Board of Directors. Ms. Probst has served on the Board of Directors of Northwest Savings Bank since May 2010, and was recommended to the Nominating Committee for consideration by our President and Chief Executive Officer.

The table below sets forth certain information regarding the composition of our Board of Directors as of February 28, 2011, including the terms of office of Board members. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to a nominee) will be voted at the annual meeting for the election of the nominees identified below. If one or more nominees is unable to serve, the shares represented by all such proxies will be voted for the election of such substitute or substitutes as the Nominating Committee may recommend. At this time, the Board of Directors knows of no reason why the nominees might be unable to serve, if elected. Except as indicated herein, there are no arrangements or understandings between the nominees and any other person pursuant to which such nominees were selected.

Name (1)	Age	Positions Held in Northwest Bancshares, Inc.	Director Since (2)	Current Term to Expire	Shares of Common Stock Beneficially Owned (3)	Percent of Class
NOMINEES						
William J. Wagner	57	Chairman of the Board, President and Chief Executive Officer	1994	2011	636,976	(4) *
A. Paul King	67	Director	2001	2011	101,739	(5) *
Sonia M. Probst	52	None	N/A	N/A	1,674	
DIRECTORS CONTINUING IN OFFICE						
Richard L. Carr	69	Director	1982	2012	131,156	(6) *
John M. Bauer	69	Director	1999	2012	90,723	(7) *
Philip M. Tredway	62	Director	2007	2012	22,184	(8) *
Robert G. Ferrier	71	Director	1980	2013	86,996	(9) *
R i c h a r d E . McDowell	67	Director	1972	2013	196,533	(10) *
Joseph F. Long	69	Director	2001	2013	126,203	(11) *
John P. Meegan	52	Director	2010	2013	19,608	(12) *
EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS						
Gregory C. LaRocca	60	Executive Vice President and Corporate Secretary	N/A	N/A	338,686	(13) *
William W. Harvey, Jr.	44	Executive Vice President-Finance and Chief Financial Officer	N/A	N/A	151,866	(14) *
Steven G. Fisher	54	Executive Vice President-Banking Services	N/A	N/A	245,470	(15) *
Timothy A. Huber	53	Executive Vice President-Chief Lending Officer	N/A	N/A	349,926	(16) *
All directors and executive officers as a group (15 persons)					2,527,069	(17) 2.3 %

*

Less than 1%.

(1) The mailing address for each person listed is 100 Liberty Street, Warren, Pennsylvania 16365-2353.

- (2) Reflects initial appointment to the Board of Directors of Northwest Savings Bank for directors elected prior to 1998.
- (3) See definition of “beneficial ownership” in the table in “Voting Securities and Principal Holders Thereof.”
- (4) Includes options to purchase 181,205 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (5) Includes options to purchase 54,218 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (6) Includes options to purchase 34,718 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (7) Includes options to purchase 42,968 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (8) Includes options to purchase 7,418 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (9) Includes options to purchase 49,718 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (10) Includes options to purchase 49,718 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (11) Includes options to purchase 54,218 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (12) Includes options to purchase 858 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (13) Includes options to purchase 75,545 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (14) Includes options to purchase 91,222 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (15) Includes options to purchase 70,570 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (16) Includes options to purchase 73,481 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined.
- (17) Includes options to purchase 785,857 shares of common stock, which are exercisable within 60 days of the date as of which beneficial ownership is being determined. Also includes 111 shares of common stock and 27,218 options held by Director Thomas K. Creal, whose term expires at the annual meeting.

Directors

The biographies of each of the nominees and continuing board members below contains information regarding the person's business experience and the experiences, qualifications, attributes or skills that caused the Nominating Committee and the Board of Directors to determine that the person should serve as a director. The principal occupation during the past five years of each of our directors is set forth below. All directors have held their present positions for five years unless otherwise stated. Each existing director is also a director of Northwest Savings Bank.

William J. Wagner was named President and Chief Executive Officer of Northwest Savings Bank in August 1998, President and Chief Executive Officer of Northwest Bancshares, Inc. in June 2001 and Chairman of the Board of Northwest Savings Bank and Northwest Bancshares, Inc. in July 2003. Mr. Wagner was the Chief Financial Officer of Northwest Savings Bank since 1984 and was named Chief Operating Officer in 1996. Mr. Wagner was appointed Executive Vice President in 1992 and was elected to the Board of Directors in 1994. He serves on the Board of the Warren County Chamber of Business and Industry and the Board of the University of Pittsburgh at Bradford. Mr. Wagner is a certified public accountant and holds a BS degree in accounting from Indiana University of Pennsylvania. Mr. Wagner has deep and extensive knowledge of our market area, accounting matters and banking matters, making him uniquely qualified to be our Chairman of the Board and Chief Executive Officer.

John M. Bauer is co-founder and partner of Contact Technologies, Inc., an electrical component manufacturer in St. Marys, Pennsylvania, where he also served as President from 1989 through 2008. In 2008 he assumed the role of Co-Chairman of the company. Prior to starting his own business, Mr. Bauer served as the Director of Finance for the Stackpole Corporation, where he oversaw the corporate finance and accounting areas. He holds a BBA degree in accounting from St. Bonaventure University. Mr. Bauer's experience as a business owner provides a unique perspective to the Board of Directors and his professional appointments enhance the Board of Directors' oversight of financial reporting and disclosure issues. Mr. Bauer is serving a three year term that expires in 2012.

Richard L. Carr served as Superintendent of the Titusville Area School District, Titusville, Pennsylvania from 1986 until his retirement in 1996. As superintendent, he had responsibility for the management of the financial, facilities, staffing and educational operations of the District. Mr. Carr is a Board member and former Chairman of the Titusville Area Medical Center. He holds BS and M.Ed. degrees from McNeese University and a Superintendent's Certificate from Penn State University. Mr. Carr was appointed Lead Director of Northwest Bancshares, Inc. in 2003. Mr. Carr's experience overseeing a large corporate entity provides the Board of Directors with an important perspective on financial management, human resources and corporate governance. Mr. Carr is serving a three year term expiring in 2012.

Robert G. Ferrier is President of Ferrier's True Value Hardware, and President of Drexel Realty, both located in Erie, Pennsylvania. He has been responsible for the management and financial operations of his hardware business, which is a retail, commercial and industrial supplier, for 55 years and also has extensive experience in commercial real estate property management and investments. Mr. Ferrier brings extensive experience in and knowledge of commercial real estate as well as business management. Mr. Ferrier has served as Chairman of the Pennsylvania and Atlantic Seaboard Hardware Association, is an Incorporator and past Chairman of Hamot Medical Center and is a Board Member of the Erie Zoological Society. Mr. Ferrier is serving a three year term expiring in 2013.

Dr. A. Paul King has been President of Oral Surgery of Erie, Erie, Pennsylvania since 1999, and was Vice President from 1974 through 1999. He was previously a Director of The Heritage Trust Company, which was acquired by Northwest Savings Bank in 2000. Dr. King served as President of both the Erie County Dental Association and the Western Pennsylvania Society of Oral Surgeons. He is a U.S. Army Veteran and received his BA degree from Washington and Jefferson College, and his Medical degree from the University of Pittsburgh. Dr. King's knowledge of the Erie, Pennsylvania business environment provides an important perspective to the Board of Directors.

Joseph F. Long has served as President/Treasurer of the Passavant Hospital Foundation in Pittsburgh, Pennsylvania since January 2000. He is a member of the Finance Committee for the Foundation and Passavant Hospital. He is also a member of the audit Committee of the University of Pittsburgh Medical Center which consists of 20 Hospitals. Mr. Long is a certified public accountant, and retired as a partner of KPMG LLP in January 2000. During Mr. Long's 36 years at KPMG LLP he held positions including Regional Partner in charge of thrift practice for the third Federal Home Loan Bank District and partner in charge of financial service assurance based consulting services for KPMG LLP's mid-Atlantic area. He was also a member of the KPMG LLP firm-wide Audit Committee. Mr. Long's career in public accounting benefits the Board of Directors in its oversight of financial reporting and disclosure issues. He holds a BS degree in Accounting from Duquesne University. Mr. Long is serving a three year term expiring in 2013.

Dr. Richard E. McDowell is President Emeritus of the University of Pittsburgh at Bradford, Bradford, Pennsylvania. He served as President of the University from 1973 until August 2002 and during his tenure he had overall responsibility for the fiscal, academic, funding and facility management of the University's Bradford Campus. As a member of the University of Pittsburgh's administration, he served on numerous task forces and committees, and in a variety of University-wide capacities, including the Council of Deans. He is currently an Associate Professor who teaches courses in the departments of biology, management/entrepreneurship, and public relations. Dr. McDowell holds a BS degree from High Point University and MS and PhD. degrees from St. Louis University. Dr. McDowell brings expertise in business management, corporate governance and public relations matters. Dr. McDowell is serving a three year term expiring in 2013.

Sonia M. Probst is the retired Chief Executive Officer of the Rouse Estate in Youngsville Pennsylvania, where she was employed for 28 years. The Rouse is a campus of skilled nursing, assisted living and child day care facilities serving western Pennsylvania. In this highly regulated healthcare environment, she served as Compliance Officer and developed and oversaw the Compliance Program. In addition, she was responsible for: strategic planning; development; revenue growth; compensation and benefit structures; financial and regulatory audits; and investment management of pension, 403(b) and depreciation funds. Ms. Probst earned a BA from Lebanon Valley College and an MSW from West Virginia University. She has served as a Director of Northwest Savings Bank since May 2010. She also serves on the Warren County Chamber of Business and Industry Board of Directors, the Youngsville Revitalization Committee, the Steering Committee for "Leadership Warren County", and the Warren County Planning and Zoning Commission. Ms. Probst brings to the Board firsthand experience in managing compliance, finance and operations in a diverse, highly regulated, multiple service organization.

Philip M. Tredway has been President and Chief Executive Officer of Erie Molded Plastics, Inc., Erie, Pennsylvania since 1982. His responsibilities include management and financial reporting for the company. He was recently appointed to the Pittsburgh Region Advisory Board of the Federal Reserve Bank of Cleveland. He is also a past Chairman and current Board member of the Manufacturers and Business Association of Erie, PA and currently serves as a Board member and Treasurer of the Erie Community Foundation. He holds both BA and MBA degrees in Finance from Lehigh University. Mr. Tredway has extensive knowledge of financial reporting issues and his term on the Federal Reserve Bank advisory board will provide insight into the banking industry and regulations. Mr. Tredway is serving a three year term expiring in 2012.

John P. Meegan is Executive Vice President and Chief Operating Officer of Hefren-Tillotson, Inc., a Pittsburgh-based investment management firm. Prior to joining Hefren-Tillotson he held various senior level positions with both regional and national brokerage firms. Mr. Meegan previously served as a director of Prestige Bank, which was acquired by Northwest Savings Bank in 2002. He served on Northwest Savings Bank's Southwest Region Advisory Board since that time, and in October 2009 he was elected to the Northwest Savings Bank Board of Directors. Mr. Meegan is a certified public accountant, and holds a degree in Economics from Amherst College and an MBA from New York University. He also serves as Chairman of the Financial Responsibility and Uniform Practice Committees for FINRA. Mr. Meegan's extensive knowledge of investment management matters will enhance the oversight of our

trust and investment activities, and his work with FINRA will broaden the Board of Directors' knowledge of the capital markets. Mr. Meegan is serving a three year term expiring in 2013.

Executive Officers who are not Directors

The principal occupation during the past five years of each of our executive officers, other than Mr. Wagner, is set forth below. All executive officers have held their present positions for five years unless otherwise stated.

Gregory C. LaRocca was employed by Northwest Savings Bank beginning in 1992, and currently serves as Executive Vice President and Corporate Secretary for Northwest Savings Bank and Northwest Bancshares, Inc. and as manager of the Investment and Trust Services Group. Mr. LaRocca was previously Chief Executive Officer of American Federal Savings, which was acquired by Northwest Savings Bank in March 1992. He holds BA and MBA degrees from Gannon University.

William W. Harvey, Jr. has been employed by Northwest Savings Bank since 1996 and currently serves as Executive Vice President, Finance and Chief Financial Officer for Northwest Savings Bank and Northwest Bancshares, Inc. Prior to joining Northwest, Mr. Harvey served as a senior auditor and tax specialist for KPMG LLP in Pittsburgh, Pennsylvania. Mr. Harvey is a certified public accountant and holds a BS degree in accounting from the Indiana University of Pennsylvania.

Steven G. Fisher has been employed by Northwest Savings Bank since 1983, most recently as Executive Vice President of the Banking Services Group. He was formerly Senior Vice President of Operations of Northwest Savings Bank. Mr. Fisher holds a BS degree from West Virginia Wesleyan College and is a graduate of the Graduate School of Banking at the University of Wisconsin-Madison.

Timothy A. Huber has been employed by Northwest Savings Bank since 1985, most recently as Executive Vice President and Chief Lending Officer. He was formerly Senior Vice President of the Commercial Lending Division of Northwest Savings Bank. Prior to joining Northwest Mr. Huber was an examiner with the Office of the Comptroller of the Currency. Mr. Huber holds a BA degree from West Virginia Wesleyan College and an MBA from Penn State University.

Board Independence

The Board of Directors has determined that Directors Bauer, Carr, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway are, and Nominee Probst will be, “independent” within the meaning of the Nasdaq corporate governance listing standards. Mr. Wagner is not independent by virtue of being an employee of Northwest Savings Bank. In addition, the Board of Directors has appointed Mr. Carr as Lead Director. In this capacity, Mr. Carr chairs the meetings of the independent directors and other meetings of the Board when the Chairman is excused or absent. Mr. Carr also acts as liaison between the Chairman and the independent directors.

In determining the independence of the directors listed above, the Board of Directors reviewed the following transactions, none of which are required to be reported under “—Transactions With Certain Related Persons,” below. Directors Carr and McDowell each have a Northwest Savings Bank credit card. Directors Carr, King and McDowell have a home equity line of credit with Northwest Savings Bank. Director Ferrier has a mortgage loan and an unsecured line of credit with Northwest Savings Bank. Director Bauer has a credit card and a commercial line of credit with Northwest Savings Bank. Additional loans (including mortgage loans, lines of credit, credit cards and automobile loans) have been made to related persons of Directors Carr, Bauer, King, Creal, Ferrier, Long and McDowell.

Board Leadership Structure and Oversight

The Board of Directors currently combines the role of Chairman of the Board with the role of Chief Executive Officer, coupled with a lead director position to further strengthen the governance structure. The Board believes this provides us an efficient and effective leadership model. Combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making, and alignment on corporate strategy. To assure effective independent oversight, the board has adopted a number of governance practices, including:

- a strong, independent, clearly-defined lead director role;
- periodic meetings of the independent directors; and
- annual performance evaluations of the Chairman and Chief Executive Officer by the independent directors.

The board recognizes that depending on the circumstances, other leadership models, such as a separate independent chairman of the board, might be appropriate. Accordingly, the board periodically reviews its leadership structure.

A key responsibility of the Chief Executive Officer and the board is ensuring that an effective process is in place to provide continuity of leadership over the long term at all levels in our company. Each year, succession planning reviews are held at every significant organizational level of our company, culminating in a full review of senior leadership talent by the independent directors. During this review, the Chief Executive Officer and the independent directors discuss future candidates for senior leadership positions, succession timing for those positions, and development plans for the highest-potential candidates. This process ensures continuity of leadership over the long term, and it forms the basis on which we make ongoing leadership assignments. It is a key success factor in managing the long-term planning and investment lead times of our business.

In addition, the Chief Executive Officer maintains in place at all times, and reviews with the independent directors, a confidential plan for the timely and efficient transfer of his or her responsibilities in the event of an emergency or his or her sudden incapacitation or departure.

The Board of Directors is actively involved in oversight of risks that could affect Northwest Bancshares, Inc. This oversight is conducted primarily through committees of the Board of Directors, but the full Board of Directors has retained responsibility for general oversight of risks. The Board has designated a Risk Management Committee, consisting of all independent directors, to meet quarterly for the specific purpose of evaluating our exposure to all risks specifically identified in banking regulations: credit, interest rate, strategic/capital, market price, liquidity, operational, business resumption, compliance/legal/regulatory, foreign exchange and reputation. The Risk Management Committee reports are prepared and presented by our Chief Risk Officer. The Board of Directors also satisfies this responsibility through reports by the committee chair of all board committees regarding the committees' considerations and actions, through review of minutes of committee meetings and through regular reports directly from officers responsible for oversight of particular risks within Northwest Bancshares, Inc. Risks relating to the direct operations of Northwest Savings Bank are further overseen by the Board of Directors of Northwest Savings Bank, which generally consists of the same individuals who serve on the Board of Directors of Northwest Bancshares, Inc. The Board of Directors of Northwest Savings Bank also has additional committees that conduct risk oversight and they typically meet jointly with the committees of Northwest Bancshares, Inc. All committees are responsible for the establishment of policies that guide management and staff in the day-to-day operation of Northwest Bancshares, Inc. and Northwest Savings Bank such as lending, risk management, asset/liability management, investment management and others.

Meetings and Committees of the Board of Directors

The business of Northwest Bancshares, Inc. is conducted at regular and special meetings of the full Board and its standing committees. In addition, our independent directors meet in executive sessions. The standing committees consist of the Executive, Audit, Compensation, Compliance, Nominating, Risk Management, Governance and Trust Committees. Mr. Wagner, our Chairman of the Board and President, is a member of the Executive and Trust Committees. During the year ended December 31, 2010, the Board of Directors of Northwest Bancshares, Inc. met at 12 regular meetings and one special meeting. No member of the Board or any committee

thereof attended fewer than 75% of the aggregate of: (i) the total number of meetings of the Board of Directors (held during the period for which he has been a director); and (ii) the total number of meetings held by all committees of the Board on which he served (during the periods that he served). The duties and responsibilities of the Compensation, Audit and Nominating Committees are as follows:

Compensation Committee. The Compensation Committee is composed of independent, non-employee directors who are not eligible to participate in management compensation programs. The current members of the Compensation Committee consist of Directors Carr, who serves as Chairman, Bauer, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway. The Compensation Committee meets at least quarterly, or more frequently if necessary. Our Governance Committee has adopted a written charter for the Compensation Committee, which is available on our website at <http://www.northwestsavingsbank.com>. The Compensation Committee of Northwest Bancshares, Inc. met five times during the year ended December 31, 2010. The purpose of the Compensation Committee is to, among other things, evaluate:

- the compensation of the executive officers, other senior officers and employees, including oversight of base salary, cash incentive compensation, equity-based awards and other benefits and perquisites; and
- the performance of the Chief Executive Officer on an annual basis and approve the base salary, cash incentive bonus, equity-based incentive awards and other compensation of the Chief Executive Officer.

In furtherance of these objectives, the Compensation Committee is responsible, among others, for:

- approving the corporate compensation philosophy, including overseeing and monitoring the executive compensation policies, plans and programs for such officers to ensure that they are consistent with the compensation philosophy and the long-term interests of our stockholders;
- reviewing and, if appropriate, amending and approving management's recommendations for compensation issues such as salary ranges, annual merit increases, annual bonuses and long-term incentive plans, including equity-based compensation programs such as stock options and restricted stock awards;
- annually reviewing the Chief Executive Officer's evaluation of the performance of the senior executives who report directly to the Chief Executive Officer in connection with its overall review of executive compensation;
- evaluating, reviewing and approving the execution of management contracts and severance agreements for senior executives and reviewing the annual renewal of such contracts;
 - reviewing and approving all employee benefit plans, including retirement plans and health insurance;
- at least annually, in consultation with the Chief Executive Officer, reviewing succession planning and management development activities and strategies regarding the Chief Executive Officer and other members of senior management;
- annually reviewing and approving the "Report of the Board of Directors on Executive Compensation," which is included in our annual proxy statement; and
 - annually reviewing Management's Annual Risk Review Analysis of our compensation practices.

The Compensation Committee shall have available to it the resources and authority necessary to properly discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. The

Compensation Committee, in performing these duties and responsibilities with respect to director and executive

9

officer compensation, relies on the assistance of professionals within our Human Resources Department. Although the Human Resources Department utilizes survey information provided by compensation consultants in recommending compensation levels, the Compensation Committee does not directly utilize compensation consultants in determining director or executive officer compensation.

Audit Committee. The Audit Committee consists of Directors Bauer, who serves as Chairman, Carr, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway. Each member of the Audit Committee is “independent” as defined in the Nasdaq corporate governance listing standards and under Securities and Exchange Commission Rule 10A-3. The Board of Directors has determined that each of Messrs. Bauer, Long and Meegan qualifies as an “audit committee financial expert” as that term is used in the rules and regulations of the Securities and Exchange Commission. Information with respect to the experience of Messrs. Bauer, Long and Meegan is included in “—Directors.” Our Governance Committee has adopted a written charter for the Audit Committee, which is available on our website at <http://www.northwestsavingsbank.com>. The Audit Committee of Northwest Bancshares, Inc. met seven times during the year ended December 31, 2010.

The duties and responsibilities of the Audit Committee include, among other things:

- retaining, overseeing and evaluating an independent registered public accounting firm to audit our annual financial statements;
- overseeing our external financial reporting processes;
- approving all engagements for audit and non-audit services by the independent registered public accounting firm;
- reviewing the audited financial statements with management and the independent registered public accounting firm;
- considering whether certain relationships with the independent registered public accounting firm and the provision by the independent registered public accounting firm of services not related to the annual audit and quarterly reviews is consistent with maintaining the independent registered public accounting firm’s independence;
- overseeing the activities of the internal audit staff and reviewing management’s administration of the system of internal accounting controls; and
- conducting an annual performance evaluation of the Committee and annually reviewing the adequacy of its charter.

Nominating Committee. The Nominating Committee Charter provides that the Nominating Committee will consist of all independent directors not subject to reelection at the next annual meeting of stockholders. Each member of the Nominating Committee is considered “independent” as defined in the Nasdaq corporate governance listing standards. Our Governance Committee has adopted a written charter for the Nominating Committee, which is available on our website at <http://www.northwestsavingsbank.com>. The Nominating Committee of Northwest Bancshares, Inc. met once during the year ended December 31, 2010.

The functions of the Nominating Committee include the following:

- leading the search for individuals qualified to become members of the Board and selecting director nominees to be presented for stockholder approval;
- developing and recommending to the Board of Directors other specific criteria for the selection of individuals to be considered for election or re-election to the Board of Directors;

- adopting procedures for the submission of recommendations by stockholders for nominees for the Board of Directors; and
- conducting an annual performance evaluation of the Committee and annually reviewing the adequacy of its charter and recommending any proposed changes to the Board of Directors.

The Nominating Committee identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are first considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. In addition, the Committee is authorized by its charter to engage a third party to assist in the identification of director nominees, if it chooses to do so. The Nominating Committee would seek to identify a candidate who, at a minimum, satisfies the following criteria:

- the highest personal and professional ethics and integrity and whose values are compatible with our values;
- experience and achievements that have given them the ability to exercise and develop good business judgment;
- a willingness to devote the necessary time to the work of the Board and its committees, which includes being available for Board and committee meetings;
- a familiarity with the communities in which we operate and/or is actively engaged in community activities;
- involvement in other activities or interests that do not create a conflict with their responsibilities to Northwest Bancshares, Inc. and its stockholders; and
- the capacity and desire to represent the balanced, best interests of our stockholders as a group, and not primarily a special interest group or constituency.

The Board seeks independent directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. The board is particularly interested in maintaining a mix that includes active or retired business professionals and senior executives, particularly those with experience in management, operations, finance, accounting, banking, risk management, compliance, or marketing and sales. As part of its periodic self-assessment process, the Board discusses the diversity of specific skills and characteristics necessary for the optimal functioning of the Board in its oversight of Northwest Bancshares, Inc. over both the short- and longer term. The Nominating Committee then gives consideration to these specific skill areas or experiences when considering candidates for nomination. Specific qualities or experiences could include matters such as experience in our industry, financial or technological expertise, leadership experience and relevant geographical experience. The effectiveness of the Board's diverse mix of skills and experiences is considered as part of each Board self-assessment.

In addition to meeting these qualifications, a person is not qualified to serve as a director if he or she: (1) is under indictment for, or has ever been convicted of, a criminal offense involving dishonesty or breach of trust and the penalty for such offense could be imprisonment for more than one year; (2) is a person against whom a banking agency has, within the past ten years, issued a cease and desist order for conduct involving dishonesty or breach of trust and that order is final and subject to appeal; or (3) has been found either by a regulatory agency whose decision is final and not subject to appeal or by a court to have (i) breached a fiduciary duty involving personal profit or (ii) committed a willful violation of any law, rule or regulation governing banking, securities, commodities or insurance, or any final cease and desist order issued by a banking, securities, commodities or insurance regulatory agency.

The Nominating Committee will also take into account whether a candidate satisfies the criteria for “independence” under the Nasdaq corporate governance listing standards.

Procedures for the Recommendation of Director Nominees by Stockholders. The Nominating Committee has adopted procedures for the submission of recommendations for director nominees by stockholders. There have been no material changes to these procedures since they were previously disclosed in Northwest Bancshares, Inc.'s proxy statement for the 2010 annual meeting of stockholders. If a determination is made that an additional candidate is needed for the Board of Directors, the Nominating Committee will consider candidates submitted by our stockholders. Stockholders can submit the names of qualified candidates for Director by writing to us at 100 Liberty Street, P.O. Box 128, Warren, Pennsylvania 16365, Attention: Corporate Secretary. The Corporate Secretary must receive a submission not less than 180 days prior to the anniversary date of our proxy materials for the preceding year's annual meeting, which, for the 2012 Annual Meeting of Stockholders, is no later than September 14, 2011.

The submission must include the following information:

- a statement that the writer is a stockholder and is proposing a candidate for consideration by the Committee;
- the name and address of the stockholder as they appear on our books, and number of shares of our common stock that are owned beneficially by such stockholder (if the stockholder is not a holder of record, appropriate evidence of the stockholder's ownership will be required);
- the name, address and contact information for the candidate, and the number of shares of our common stock that are owned by the candidate (if the candidate is not a holder of record, appropriate evidence of the stockholder's ownership should be provided);
 - a statement of the candidate's business and educational experience;
- such other information regarding the candidate as would be required to be included in the proxy statement pursuant to Securities and Exchange Commission Regulation 14A;
- a statement detailing any relationship between the candidate and any customer, supplier or competitor of Northwest Bancshares, Inc. or its affiliates;
- detailed information about any relationship or understanding between the proposing stockholder and the candidate;
- a statement of the candidate that the candidate is willing to be considered and willing to serve as a director if nominated and elected; and
- A statement that the candidate is not: (1) under indictment for, or has ever been convicted of, a criminal offense involving dishonesty or breach of trust and the penalty for such offense could be imprisonment for more than one year; (2) a person against whom a banking agency has, within the past ten years, issued a cease and desist order for conduct involving dishonesty or breach of trust that order is final and subject to appeal; or (3) a person who has been found either by a regulatory agency whose decision is final and not subject to appeal or by a court to have (i) breached a fiduciary duty involving personal profit or (ii) committed a willful violation of any law, rule or regulation governing banking, securities, commodities or insurance, or any final cease and desist order issued by a banking, securities, commodities or insurance regulatory agency.

A nomination submitted by a stockholder for presentation by the stockholder at an annual meeting of stockholders must comply with the procedural and informational requirements described in our Bylaws.

Stockholder Communications with the Board. A stockholder of Northwest Bancshares, Inc. who wants to communicate with the Board of Directors or with any individual director can write to: Board of Directors, Northwest

Edgar Filing: Northwest Bancshares, Inc. - Form DEF 14A

Bancshares, Inc., 100 Liberty Street, P.O. Box 128, Warren, Pennsylvania 16365, Attention: Corporate Secretary. The letter should indicate that the author is a stockholder of Northwest Bancshares, Inc. and, if shares are not held of

record, should include appropriate evidence of stock ownership. Depending on the subject matter, management will:

- forward the communication to the director or directors to whom it is addressed; or
- attempt to handle the inquiry directly, or forward the communication for response by another employee of Northwest Bancshares, Inc. For example, a request for information about us on a stock-related matter may be forwarded to our stockholder relations officer; or
- not forward the communication if it is primarily commercial in nature, relates to an improper or irrelevant topic, or is unduly hostile, threatening, illegal or otherwise inappropriate.

Management shall make these communications that were not forwarded available to the directors on request.

Attendance at Annual Meetings of Stockholders

Although we do not have a formal written policy regarding director attendance at annual meetings of stockholders, it is expected that directors will attend these meetings absent unavoidable scheduling conflicts. All of Northwest Bancshares, Inc.'s then-current directors attended the prior year's annual meeting of stockholders of Northwest Bancshares, Inc.

Code of Ethics

We have adopted a Code of Ethics that is applicable to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions. The Code of Ethics is available on our website at <http://www.northwestsavingsbank.com>. Amendments to and waivers from the Code of Ethics with respect to directors and executive officers will also be disclosed on our website.

Code of Conduct

We have adopted a Code of Conduct that is applicable to all employees. Each year, the employees are trained with respect to their responsibilities under, and acknowledge that they understand their responsibilities and will comply with all aspects of, the Code of Conduct.

Audit Committee Report

The Audit Committee has issued a report that states as follows:

- we have reviewed and discussed with management and the independent registered public accounting firm our audited consolidated financial statements for the year ended December 31, 2010;
- we have discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended; and
- we have received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communication with the Audit Committee concerning independence, and have discussed with the independent registered public accounting firm their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2010 for filing with the Securities and Exchange Commission.

This report has been provided by the Audit Committee, which consists of Directors Bauer (Chairman), Carr, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway.

Section 16(a) Beneficial Ownership Reporting Compliance

Our common stock is registered pursuant to Section 12(b) of the Securities Exchange Act of 1934. The officers and directors of Northwest Bancshares, Inc. and beneficial owners of greater than 10% of our shares of common stock (“10% beneficial owners”) are required to file reports on Forms 3, 4 and 5 with the Securities and Exchange Commission disclosing beneficial ownership and changes in beneficial ownership. Securities and Exchange Commission rules require disclosure in our Proxy Statement and Annual Report on Form 10-K of the failure of an officer, director or 10% beneficial owner of the shares of common stock to file a Form 3, 4 or 5 on a timely basis. Based on our review of such ownership reports, Mr. Tredway filed a Form 5 to report the purchase of 1,000 shares of common stock, and we believe that no other officer, director or 10% beneficial owner of Northwest Bancshares, Inc. failed to file such ownership reports on a timely basis for the year ended December 31, 2010.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee determines the salaries to be paid each year to the Chief Executive Officer and those executive officers who report directly to the Chief Executive Officer. The Compensation Committee consists of Directors Carr, who serves as Chairman, Bauer, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway. None of these individuals was an officer or employee of Northwest Bancshares, Inc. during the year ended December 31, 2010, or is a former officer of Northwest Bancshares, Inc. Except as described below for Director Ferrier, none of the members of the Compensation Committee had any relationship requiring disclosure under “—Transactions with Certain Related Persons.”

The following table sets forth information with respect to loans made by Northwest Savings Bank to Director Ferrier, pursuant to which Director Ferrier received interest rate discounts available to employees of Northwest Savings Bank, as described in “—Transactions with Certain Related Persons.” These loans have otherwise been made in the ordinary course of business, on substantially the same terms, including collateral, as those prevailing at the time for comparable loans with persons not related to Northwest Savings Bank, and do not involve more than the normal risk of collectibility or present other unfavorable features.

Name	Position	Nature Of Transaction	Largest Aggregate Balance over Disclosure Period	Interest Rate	Principal Balance 12/31/10	Principal Paid 01/01/10 to 12/31/10	Interest Paid 01/01/10 to 12/31/10
Robert G. Ferrier	Director	Mortgage	\$ 263,574	4.875%	\$ 233,274	\$ 30,300	\$ 12,195
		Fixed Term Unsecured Line of Credit	\$ 53,209	7.000%	\$ 29,450	\$ 40,500	\$ 2,621

During the year ended December 31, 2010, (i) no executive officer of Northwest Bancshares, Inc. served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on the

Compensation Committee of Northwest Bancshares, Inc.; (ii) no executive officer of Northwest Bancshares, Inc. served as a director of another entity, one of whose executive officers served on the Compensation Committee of Northwest Bancshares, Inc.; and (iii) no executive officer of Northwest Bancshares, Inc. served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director of Northwest Bancshares, Inc.

Compensation Committee Report

The Compensation Committee has issued a report that states that it has reviewed and discussed the section entitled “Compensation Discussion and Analysis” with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the “Compensation Discussion and Analysis” be included in our Proxy Statement.

This report has been provided by the Compensation Committee, which consists of Directors Carr (Chairman), Bauer, Creal, Ferrier, King, Long, McDowell, Meegan and Tredway.

Compensation Discussion and Analysis

Compensation Philosophy. The Compensation Committee has the responsibility for establishing, implementing and monitoring adherence with our overall employee compensation philosophy. The Compensation Committee’s goal is to ensure that the total compensation paid to all employees, including executive officers, is fair, reasonable and competitive. In this regard, the Compensation Committee has adopted a framework for our compensation program that is intended to:

- provide a total compensation program that is aligned with the interests of our stockholders;
- attract and retain talent needed to successfully perform in a competitive market;
- assist in balancing the competing needs of external competitiveness, internal consistency, organizational economics, management flexibility, ease of understanding and simplicity of administration;
- ensure all employees (including executive officers) receive rewards based on performance and value added to the organization in an environment built on shared leadership; and
- use long-term equity programs to motivate and reward performance that increases our market value over time, align senior management interests with the organization’s strategic business objectives and provide a retention incentive.

At least four times a year, the Compensation Committee meets to review various aspects of our programs with the assistance of our Chief Human Resources Officer. These reviews are intended to assure:

- the framework for executive officer compensation supports our business strategy and corporate compensation philosophy;
- the overall compensation package, including the mix of base salary, annual cash bonuses, equity awards and benefits is competitive; and
- the overall program is aligned with stockholders’ interest.

Senior management compensation is calculated from competitive peer group information to determine base salary and annual cash bonus levels. Compensation levels for all positions are established with a goal that the total compensation paid for a position will approximate the market median (50th percentile). See “—Market Comparisons.” Market compensation is developed using national and/or regional financial industry data for executives and other management employees, and national, as well as regional and/or local pay practices for other employees. Based on the work location, a salary differential may be used if dictated by the local market.

Compensation Program. Compensation paid to our executive officers for 2010 consisted of performance-based salary, annual cash bonuses and stock option awards. An annual cash bonus may be paid to management personnel and is directly related to our performance, with consideration given to our return on average equity, return on average tangible equity, return on average assets, growth in earnings per share, retail deposit growth as well as

the performance of the individual employee. In addition, with the Compensation Committee’s approval, employees, including executive officers, can receive a discretionary holiday bonus ranging from 2% of base compensation for employees with one year of service to 5% of base compensation for those with five or more years of service. Additionally, stock option awards are granted to motivate and reward individual performance that increases the long-term value of our franchise and provide a retention incentive for key employees. Approximately 430, or 21%, of our employees receive these stock option awards. Executive officers participate in the same employee benefit programs generally available to all employees. In addition, the executive officers participate in a senior management life insurance plan and the Chief Executive Officer participates in a supplemental employee retirement plan.

Please refer to the “Summary Compensation Table” for compensation information regarding these benefits for 2010. These benefits are aligned with our objective to attract and retain highly qualified management talent for the benefit of all of our stockholders and are considered by the Compensation Committee to be reasonable when compared to industry averages.

Market Comparisons. In determining Named Executive Officer compensation, we use market information which is supported by survey data from a compensation consultant as well as peer groups. We establish compensation targets for all of our employees so that their total compensation opportunity would approximate the market median (50th percentile). For the year ended December 31, 2010, we used financial services survey data from Tower Watson, a nationally recognized compensation consulting firm, in reviewing compensation for all employees, including executive officers. Two additional surveys, prepared by nationally recognized compensation firms Compdata and IOMA, were used to corroborate the findings from the Towers Watson survey, but were not used to provide benchmarks with respect to Named Executive Officer compensation. The Towers Watson survey data is based on the following group of companies primarily in the financial services industry:

1st Financial Bank	Federal Reserve Bank of Minneapolis	Old Second National Bank
1st National Bank - River Falls	Federal Reserve Bank of Philadelphia	Park Bank
1st Source Bank	Federal Reserve Bank of San Francisco	Pentagon Federal Credit Union
AgriBank, FCB	Federal Reserve Bank of St. Louis	People’s United Bank
Alliance United Insurance Company	Federal Trust Corporation	Plains Capital Corporation
Amalgamated Bank of Chicago	Fifth Third Bancorp	The Private Bank
Amalgamated Bank of New York	The First American Corporation	Provident Bank
American Bank	First American Credit Union	QTI Human Resources
American Chartered Bank	First Bank	Radian Group, Inc.
American Savings Bank	First Business Financial Services	Raymond James Financial
Am Trust Bank	First Citizens Bank	Regions Financial Corporation
Anchor Bank NA	First Commonwealth Bank	Rockland Trust Company
Arvest Bank Group	First Federal Savings & Loan Association	Royal Credit Union
Associated Banc-Corp.	First Hawaiian Bank	Sandy Spring Bank
Astoria Federal Savings & Loan Bank Mutual	First Midwest Bank	Seacoast National Bank
	First National Bank in Sioux Falls	Security Service Federal Credit Union
Bank of Blue Valley	First National Bank of Alaska	The South Financial Group
Bank of Oak Ridge	Frost National Bank	Space Coast Credit Union
The Bank of Tampa	Fulton Financial Corporation	Star Financial Bank
Bank of the West	Grow Financial Federal Credit Union	State Farm Insurance
Bankers Bank	Hancock Holdings Company	Sterling Bank
Belvoir Federal Credit Union	Home Federal Bank	

Boeing Employees Credit Union	Home State Bank	Suncoast Schools Federal Credit Union
Cadence Bank	Hudson Valley Federal Credit Union	SunTrust Banks, Inc.
Canandaigua National Bank	Johnson Financial Group	Susquehanna Bancshares, Inc.
CapitalSources	Landmark Bank NA	Synovus Financial Corporation
Cole Taylor Bank	Legend Bank NA	Teachers Credit Union
Columbia Bank	Liberty Bank	Think Mutual Bank
Comerica Bank	MAPFRE USA, Corporation	Thrivent Financial For Lutherans
The Community Preservation Corporation	Marquette Financial Companies	Tri Counties Bank
Community Trust Bankcorp, Inc.	Marshall & Ilsley Corporation	Trustmark National Bank
CUDL	Mercantile Commerce Bank	UMB Bank, NA
Data Center, Inc.	Metropolitan Life Insurance Company	United Bank
Deere & Company	Middleburg Bank	University Federal Credit Union
Dupont Fabros Technology	MutualBank	University of Wisconsin Credit Union
E*Trade Financial Corporation	Mutual of Omaha	USAA
Edward Jones & Company	MutualBank	Valley National Bank
		ViewPoint Bank

EECU	National Penn Bank	Virginia Credit Union, Inc.
Elevations Credit Union	NJM Insurance Group	Volvo Group North America
ESL Federal Credit Union	New York Community Bank	Washington Trust Bank
EverBank	Nordstrom	Washington Trust Company
Farm Credit Bank of Texas	North Carolina State Employee's Credit Union	Western Alliance Bancorporation
Federal Home Loan Bank	Northwest Bancshares, Inc.	Wright-Patt Credit Union, Inc.
Federal Reserve Bank of Atlanta	Northwestern Mutual	Wyndham Worldwide
Federal Reserve Bank of Boston	NRUCFC	Zions First National Bank
Federal Reserve Bank of Chicago	NVR, Inc.	
Federal Reserve Bank of Dallas	Old Republic Companies	

We also used the following peer group in determining market compensation for our executive officers:

First Commonwealth Financial Corporation
 F.N.B. Corporation
 Fulton Financial Corporation
 National Penn Bancshares, Inc.
 S&T Bancorp, Inc.
 Susquehanna Bancshares, Inc.

Compensation data for our peer group is reviewed for reasonableness. In addition to this review, we rely primarily on market data reported by a national compensation consulting firm for each job classification and responsibilities.

Base Salary. Members of senior management, and all other employees, receive base salaries determined by the responsibilities, skills, performance, growth and experience related to their respective positions. Another factor considered in base salary determination is our competitiveness of total compensation within our markets. Base salaries are targeted consistent with our goal that our employees total compensation opportunity would approximate the market median (50th percentile). Specifically, base salaries range between 80% and 120% of the established midpoint. Base salaries above target (midpoint) will be limited to those whose performance is distinguished or commendable. Performance expectations include measures of results and how results are achieved. Employees are eligible for consideration of an annual merit increase in their base salary as a result of individual performance and salary adjustments for significant changes in their duties and responsibilities. The amount and timing of an increase depends upon the individual's performance, salary relative to the midpoint, the time interval since the last increase and any added responsibilities since the last salary increase. The Compensation Committee reviews and approves any salary increases for executive officers. The base salary for each of the Named Executive Officers is reflected in the "Summary Compensation Table."

Annual Cash Incentive. We provide performance-based cash incentive awards to over 430 eligible management personnel, including executive officers, under the Management Bonus Plan. Cash incentives are used to motivate and reward achievement of corporate and individual performance objectives, while allowing for control of discretionary compensation expenses. Funding for the Management Bonus Plan is based on an assessment of our actual performance relative to the Compensation Committee's pre-established financial performance levels based on a combination of financial factors. For the year ended December 31, 2010, these factors were: return on average assets, return on average equity, return on average tangible equity, growth in earnings per share and retail deposit growth. After the conclusion of the fiscal year, the Chief Executive Officer may suggest that the Compensation Committee consider additional adjustments to discretionary cash incentive awards that fall in line with the long-term advancement as set forth in our strategic initiatives. Furthermore, in a business environment where people make the difference, we

may consider industry trends for recruitment and retention in determining the level of cash incentives for our professional personnel.

The Management Bonus Plan sets forth eight levels of corporate performance targets, with the lowest level (Level 1) resulting in no cash incentive payments to the Named Executive Officers, and, for 2010, the highest level (Level 8) resulting in cash incentive payments up to 35% of base salary. The performance targets for Levels 2, 5 and 8, which would result in cash incentive payments of 10%, 23% and 35% of base salary, respectively, are as follows:

Performance Measure	Bonus Level Under Management Bonus Plan		
	Level 2 (10% of Base Salary)	Level 5 (23% of Base Salary)	Level 8 (35% of Base Salary)
Return on Average Assets	0.75% to 0.79%	0.90% to 0.94%	Greater than 1.10%
Return on Average Equity	9.00% to 9.99%	12.00% to 12.99%	Greater than 15.00%
Return on Average Tangible Equity	12.00% to 12.99%	15.00% to 16.99%	Greater than 18.00%
Percentage Growth in Earnings Per Share	9.00% to 9.99%	12.00% to 12.99%	Greater than 15.00%
Retail Asset Growth	4.00% to 5.99%	10.00% to 11.99%	Greater than 15.00%

The Compensation Committee has discretion under the Management Bonus Plan to make adjustments to the overall performance level achieved to include or exclude the effect of extraordinary, unusual or non-recurring items, changes in tax or accounting rules or the effect of mergers or acquisitions. For the year ended December 31, 2010, the Compensation Committee considered certain gains and losses in determining our performance under the Management Bonus Plan. Specifically, the Committee excluded from operating results gains on the sale and call of investment securities, impairment losses recorded on investment securities and an REO property, and acquisition-related expenses.

Long-Term Stock-Based Compensation. The purpose of our 2008 Stock Option Plan is to advance the interests of Northwest Bancshares, Inc. and its stockholders by providing management and outside directors, upon whose judgment, initiative and efforts the success of our business largely depends, with an additional incentive to perform in a superior manner. The plan was designed to reward seniority as well as longevity and to attract and retain people of experience and ability.

Each of our stock option plans was approved by stockholders. The intention of the Compensation Committee with respect to the 2008 Stock Option Plan is to distribute a total of 3,937,500 stock options (split-adjusted) to key employees and directors in up to seven distributions, with all grants based upon the level of responsibility of those eligible. The Compensation Committee determines which executives will receive stock awards as well as type, size and restrictions on the awards.

Grants of stock options to an individual are based primarily on the individual's level of responsibility and their performance. Individual performance is evaluated using certain general elements applicable to all employees, including problem solving, communication, leadership and teamwork, as well as job specific elements. Job specific elements for measuring the individual performance of our Named Executive Officers include the individual's contributions to our operations and performance in the following areas: Mr. Wagner – strategic and operational considerations and profitability; Mr. LaRocca – strategic and administrative considerations, trust and financial services performance and profitability; Mr. Fisher – strategic, tactical and administrative considerations and profitability; Mr. Harvey – strategic, financial records/reporting and administrative considerations and profitability and Mr. Huber – strategic and administrative considerations, retail and commercial lending performance, profitability and soundness.

During the year ended December 31, 2010, for the 2008 Stock Option Plan, the Chief Executive Officer was eligible to receive 19,000 stock options (split-adjusted) if he exceeded individual performance expectations, and 9,300 stock options (split-adjusted) if he met individual performance goals. Similarly, the other Named Executive Officers were eligible to receive 13,000 stock options (split-adjusted) if individual performance goals were exceeded, and 6,750 stock options (split-adjusted) if individual performance goals were met. For the year ended December 31, 2010, each

Named Executive Officer received stock options based upon their exceeding individual performance expectations.

In addition to stock options, Named Executive Officers also received grants of restricted stock during the year ended December 31, 2005 under our 2004 Recognition and Retention Plan, which vested over a five year period ending in 2010. No grants were made under this plan to the Named Executive Officers during the year ended December 31, 2010.

Employment Agreements. We have entered into employment agreements with certain executive officers, including each of our Named Executive Officers. These agreements are designed to give us the ability to retain the services of the designated executives while reducing, to the extent possible, unnecessary disruptions to our

operations. The agreements are for a three-year period, are reviewed for renewal annually by the Compensation Committee and provide for salary and bonus payments as well as additional post-employment benefits, primarily health benefits, under certain conditions, as defined in the employment agreements. The employment agreements were negotiated directly with and recommended for approval by, the Compensation Committee. The Compensation Committee believes such agreements are common and necessary to retain executive talent. For a discussion of these agreements and the payments that would be received by the Named Executive Officers under certain scenarios with respect to these agreements, see “Employment Agreements.”

Retirement Plans. All of our employees, including our Named Executive Officers, are eligible to participate in our tax-qualified defined benefit plan, which is intended to provide an annual retirement benefit. See “Defined Benefit Plan.” We have also adopted a non-qualified supplemental executive retirement plan for the benefit of those individuals whose benefits under the defined benefit plan are limited by restrictions contained in the Internal Revenue Code. See “—Supplemental Executive Retirement Plan.” All of our employees who have attained age 21 are eligible to participate in our 401(k) plan. However, one year of service and a 1,000 hour eligibility requirement must be met before becoming eligible for the company match, which is made in Northwest Bancshares, Inc. stock. Employees may elect to diversify employer contributed matching funds in other investment options. We provide matching contributions equal to 50% of an eligible employee’s (an employee with one year of continuous service) 401(k) plan contributions, up to 3% of the employee’s eligible compensation. All of our employees who have attained age 21 and have completed 12 months of service during which they have worked at least 1,000 hours are also eligible to participate in our Employee Stock Ownership Plan (“ESOP”). Allocations under the ESOP are based upon an employee’s salary in relation to the salary of all other qualified employees.

Tax and Accounting Implications. In consultation with our advisors, we evaluate the tax and accounting treatment of each of our compensation programs at the time of adoption and on an annual basis to ensure that we understand the financial impact of the program. Our analysis includes a detailed review of recently adopted and pending changes in tax and accounting requirements. As part of our review, we consider modifications and/or alternatives to existing programs to take advantage of favorable changes in the tax or accounting environment or to avoid adverse consequences. To preserve maximum flexibility in the design and implementation of our compensation program, we have not adopted a formal policy that requires all compensation to be tax deductible. However, to the greatest extent possible, it is our intent to structure our compensation programs in a tax efficient manner.

Review of Risk Related to Compensation Policies and Procedures. The Compensation Committee of the Board of Directors is responsible for the oversight of employee compensation policies and procedures, including the determination of whether any material risk is imposed on Northwest Bancshares, Inc. from the annual cash incentive plan, long-term stock-based compensation plan and/ or employment agreements. After reviewing the compensation policies and procedures, including the determination of whether any incentive programs encourage excessive risk taking by employees, the Compensation Committee has concluded such plans do not pose material risk to Northwest Bancshares, Inc.

Executive Compensation

The following table sets forth for the three years ended December 31, 2010 certain information as to the total remuneration we paid to Mr. Wagner, who serves as President and Chief Executive Officer, Mr. Harvey, who serves as Chief Financial Officer, and the three most highly compensated executive officers of Northwest Bancshares, Inc. or Northwest Savings Bank other than Messrs. Wagner and Harvey (“Named Executive Officers”).

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)(1)	Change in pension value and nonqualified deferred compensation earnings (\$)(2)	All other compensation (\$)(3)	Total (\$)
William J. Wagner, Chairman of the Board, President and Chief Executive Officer	2010	503,569	76,278		37,050	268,080	35,152	920,129
	2009	488,883	74,074		13,894	140,122	44,699	761,672
	2008	473,322	110,466		58,140	160,039	27,303	829,270
William W. Harvey, Jr. Executive Vice President-Finance and Chief Financial Officer	2010	239,506	36,375		25,350	56,168	15,477	372,876
	2009	229,885	34,994		8,409	29,640	24,866	327,794
	2008	209,769	50,988		35,190	24,790	11,328	332,065
Gregory C. LaRocca, Executive Vice President and Corporate Secretary	2010	239,506	36,375		25,350	135,533	22,540	459,304
	2009	229,885	34,994		8,409	86,177	30,036	389,501
	2008	212,307	51,115		35,190	61,764	15,953	376,329
Steven G. Fisher, Executive Vice President, Banking Services	2010	239,506	36,375		25,350	126,573	19,251	447,055
	2009	229,885	34,994		8,409	70,372	27,024	370,684
	2008	209,769	50,988		35,190	68,005	13,229	377,181
Timothy A. Huber,	2010	184,216	28,111		25,350	83,805	15,257	336,739

Edgar Filing: Northwest Bancshares, Inc. - Form DEF 14A

Executive Vice President, Chief Lending Officer (4)	2009	174,578	26,729	6,581	51,776	21,446	281,110
--	------	---------	--------	-------	--------	--------	---------

(footnotes on following page)

(footnotes from previous page)

- (1) Reflects the aggregate grant date fair value of option awards granted during the applicable year. The value is the amount recognized for financial statement reporting purposes in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. The assumptions used in the valuation of these awards for 2010, 2009 and 2008 are included in Notes 1(o) and 15(e) to our audited financial statements for the years ended December 31, 2010, 2009 and 2008 included in our Annual Reports on Form 10-K for the years ended December 31, 2010, 2009 and 2008, respectively, as filed with the Securities and Exchange Commission.
- (2) Reflects change in pension value only.
- (3) The compensation represented by the amounts for 2010 set forth in the All Other Compensation column for the Named Executive Officers is detailed in the following table.

Name	Company Contributions to Qualified Defined Contribution Plan (a)	Company Paid Life Insurance Premiums (b)	Restricted Stock Dividends (c)	Total All Other Compensation
William J. Wagner	\$ 13,577	\$ 20,891	\$ 684	\$ 35,152
William W. Harvey, Jr.	\$ 13,273	\$ 1,664	\$ 540	\$ 15,477
Gregory C. LaRocca	\$ 13,273	\$ 8,943	\$ 324	\$ 22,540
Steven G. Fisher	\$ 13,273	\$ 5,654	\$ 324	\$ 19,251
Timothy A. Huber	\$ 10,209	\$ 4,724	\$ 324	\$ 15,257

(a) Reflects contributions by Northwest Savings Bank to qualified defined contribution plans, both 401(k) and ESOP. Northwest Savings Bank makes matching contributions equal to 50% of the employee’s 401(k) contributions, up to 3% of the employee’s eligible compensation. For the year ended December 31, 2010, Northwest Savings Bank made a contribution of 126,280 shares of common stock (valued at \$1,487,263) to the ESOP. Mr. Wagner received an allocation of \$6,227; Mr. Harvey received an allocation of \$6,088; Mr. LaRocca received an allocation of \$6,088; Mr. Fisher received an allocation of \$6,088; and Mr. Huber received an allocation of \$4,682.

(b) Reflects excess premiums and/or payments for life insurance reported as taxable compensation on the Named Executive Officer’s Form W-2.

(c) Reflects dividends on shares of unvested restricted common stock, which are reported as taxable compensation on the Named Executive Officer’s Form W-2.

(4) Mr. Huber was not a Named Executive Officer prior to 2009.

Amounts listed above in the “Salary” column are paid pursuant to employment agreements with the Named Executive Officers. See “Employment Agreements.” Amounts listed in the “Bonus” column reflect a discretionary holiday bonus approved by the Compensation Committee and distributed to all employees calculated on a five-year vesting schedule. Distribution ranges vary from 0% to 5% of base pay. Named Executive Officers received bonuses equal to 5% of base pay for the year ended December 31, 2010. Amounts listed in the “Bonus” column also reflect discretionary bonuses paid by the Compensation Committee under the Management Bonus Plan. See “Compensation Discussion and Analysis—Annual Cash Incentive.” Amounts listed in the “Change in pension value and nonqualified deferred

compensation earnings” column reflect the aggregate year-to-year change in the actuarial present value of the Named Executive Officer’s accrued pension benefit under all qualified and non-qualified defined benefit plans based on the assumptions used for FASB ASC 715 at each measurement date. As such, the change reflects changes in value due to an increase or decrease in the FASB ASC 715 discount rate as well as changes due to the accrual of plan benefits.

Plan-Based Awards. The following table sets forth for the year ended December 31, 2010 certain information as to grants of plan-based awards for the Named Executive Officers.

GRANTS OF PLAN-BASED AWARDS FOR THE YEAR ENDED DECEMBER 31, 2010

Name	Grant date	Threshold (#)	Target (#)	Maximum (#)	All other stock awards:		Exercise or base price of option	Closing Market Price on	Grant Date Fair Value of Stock and Option
					number of shares or underlying units	number of securities			
William J. Wagner	(1)	9,300	19,000	19,000			12.12	11.94	36,670
William W. Harvey, Jr.	(1)	6,750	13,000	13,000			12.12	11.94	25,090
Gregory C. LaRocca	(1)	6,750	13,000	13,000			12.12	11.94	25,090
Steven G. Fisher	(1)	6,750	13,000	13,000			12.12	11.94	25,090
Timothy A. Huber	(1)	6,750	13,000	13,000			12.12	11.94	25,090

(1) On an annual basis, Named Executive Officers are eligible to receive stock options under our stock option plans. Equity incentive plan awards for the year ended December 31, 2010 were made pursuant to the Northwest Bancorp, Inc. 2008 Stock Option Plan.

Grants of stock options reflected in the above table were made pursuant to the Northwest Bancorp, Inc. 2008 Stock Option Plan. For the year ended December 31, 2010, options were awarded in January 2011 to each Named Executive Officer in the amounts listed in the "Target" column. Stock options vest over seven years beginning one year from the date of grant, but vesting is accelerated in the event of a change in control of Northwest Savings Bank or Northwest Bancshares, Inc., or in the event of the recipient's death, disability or normal retirement (generally, the attainment of age 65, or the attainment of age 55 having completed 15 years of service, or retiring at any age having completed at least 25 years of service). The exercise price of stock options is the closing price of our shares of common stock on the day before the date of grant. For a further discussion of grants made pursuant to this plan for the year ended December 31, 2010, see "Compensation Discussion and Analysis—Long-Term Stock-Based Compensation."

Outstanding Equity Awards at Year End. The following table sets forth information with respect to outstanding equity awards as of December 31, 2010 for the Named Executive Officers. Information has been adjusted to reflect the 2.25-for-one stock split in connection with Northwest Bancorp, MHC's mutual-to-stock conversion, which occurred in December 2009.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2010

Name	Option awards Equity incentive plan awards:					Stock awards Equity incentive plan awards:				
	Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of stock that has not vested (\$)	Number of shares or units earned that have not vested (#)	Market value of stock that has not vested (\$)	Number of shares or units earned that have not vested (#)
William J. Wagner	19,350			4.35	10/17/11					
	24,750			5.91	08/21/12					
	24,750			7.37	08/20/13					
	24,750			11.33	12/15/14					
	21,375			10.19	01/19/15					
	17,100	4,275	(1)	9.86	01/18/16					
	12,825	8,550	(2)	11.51	01/17/17					
	8,550	12,825	(3)	11.12	01/16/18					
	6,109	15,266	(4)	9.79	11/19/18					
	3,054	18,321	(5)	7.48	02/18/19					
		19,000	(6)	11.49	01/20/20					
William W. Harvey, Jr.	9,675			4.35	10/17/11	—	—			
	11,475			5.91	08/21/12					
	11,475			7.37	08/20/13					
	11,475			11.33	12/15/14					
	12,937			10.19	01/19/15					
	10,350	2,587	(1)	9.86	01/18/16					
	7,763	5,174	(2)	11.51	01/17/17					
	5,176	7,761	(3)	11.12	01/16/18					
	3,699	9,238	(4)	9.79	11/19/18					
	1,850	11,087	(5)	7.48	02/18/19					
	—	13,000	(6)	—	11.49	01/20/20				
Gregory C. LaRocca	4,975			5.91	08/21/12	—	—			
	11,475			7.37	08/20/13					
	11,475			11.33	12/15/14					
	10,125	—		10.19	01/19/15					
	8,100	2,025	(1)	9.86	01/18/16					
	7,763	5,174	(2)	11.51	01/17/17					

Edgar Filing: Northwest Bancshares, Inc. - Form DEF 14A

5,176	7,761	(3)	11.12	01/16/18
3,700	9,237	(4)	9.79	11/19/18
1,850	11,087	(5)	7.48	02/18/19
—	13,000	(6)	11.49	01/20/20

(footnotes begin on following page)

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2010

Name	Option awards				Stock awards				
	Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)	Equity incentive plan awards: number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units that have not vested (\$)	Equity incentive awards: number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$)
Steven G. Fisher	11,475			7.37	08/20/13	—	—		
	11,475			11.33	12/15/14				
	10,125			10.19	01/19/15				
	8,100	2,025	(1)	9.86	01/18/16				
	7,763	5,174	(2)	11.51	01/17/17				
	5,176	7,761	(3)	11.12	01/16/18				
	3,700	9,237	(4)	9.79	11/19/18				
	1,850	11,087	(5)	7.48	02/18/19				
	—	13,000	(6)	—	11.49	01/20/20			
Timothy A. Huber	3,870			4.35	10/17/11	—	—		
	6,885			5.91	08/21/12				
	9,180			7.37	08/20/13				
	11,475			11.33	12/15/14				
	10,125			10.19	01/19/15				
	8,100	2,025	(1)	9.86	01/18/16				
	6,075	4,050	(2)	11.51	01/17/17				
	4,050	6,075	(3)	11.12	01/16/18				
	2,894	7,231	(4)	9.79	11/19/18				
	1,447	8,678	(5)	7.48	02/18/19				
	—	13,000	(6)	—	11.49	01/20/20			

(1) Remaining unexercisable options will vest on January 18, 2011.

(2) Remaining unexercisable options will vest equally on January 17, 2011 and 2012.

(3) Remaining unexercisable options will vest equally on January 16, 2011, 2012 and 2013.

(4) Remaining unexercisable options will vest equally on November 19, 2011, 2012, 2013, 2014 and 2015.

(5) Remaining unexercisable options will vest equally on February 18, 2011, 2012, 2013, 2014, 2015 and 2016.

(6) Remaining unexercisable options will vest equally over a seven-year period beginning January 20, 2011.

Option Exercises and Stock Vested. The following table sets forth information with respect to option exercises and stock that vested during the year ended December 31, 2010 for the Named Executive Officers. Information has been adjusted to reflect the 2.25-for-one stock split in connection with Northwest Bancorp, MHC's mutual-to-stock conversion, which occurred in December 2009.

OPTION EXERCISES AND STOCK VESTED FOR THE YEAR ENDED
DECEMBER 31, 2010

Name	Option awards		Stock awards	
	Number of shares acquired on exercise (#)	Value realized on exercise (\$)	Number of shares acquired on vesting (#)	Value realized on vesting (\$)(1)
William J. Wagner			6,840	80,780
William W. Harvey, Jr.			5,400	63,774
Gregory C. LaRocca	9,675 6,500	57,179 (2) 28,275 (3)	3,240	38,264
Steven G. Fisher	11,475	53,359 (4)	3,240	38,264
Timothy A. Huber			3,240	38,264

(1) Based on the \$11.81 per share trading price of our common stock on March 16, 2010.

(2) Based on the difference between the \$10.26 per share trading price on December 1, 2010 and the exercise price of \$4.35.

(3) Based on the difference between the \$10.26 per share trading price on December 1, 2010 and the exercise price of \$5.91.

(4) Based on the difference between the \$10.56 per share trading price on August 30, 2010 and the exercise price of \$5.91.

Pension Benefits. The following table sets forth information with respect to pension benefits at and for the year ended December 31, 2010 for the Named Executive Officers. See “—Defined Benefit Plan” and “—Supplemental Executive Retirement Plan” for a discussion of the plans referenced in this table.

PENSION BENEFITS AT AND FOR THE YEAR ENDED DECEMBER 31, 2010

Name	Plan name	Number of years credited service (#)	Present value of accumulated benefit (\$)	Payments during last fiscal year (\$)
William J. Wagner	Northwest Savings Bank Pension Plan	27	773,287	
	Northwest Savings Bank Non-Qualified Supplemental Retirement	27	876,718	

Plan			
William W. Harvey, Jr.	Northwest Savings Bank Pension Plan	15	179,732
Gregory C. LaRocca	Northwest Savings Bank Pension Plan	25	637,090
Steven G. Fisher	Northwest Savings Bank Pension Plan	27	518,417
Timothy A. Huber	Northwest Savings Bank Pension Plan	26	396,178

Nonqualified Deferred Compensation. The following table sets forth information with respect to defined contribution and other nonqualified deferred compensation plans at and for the year ended December 31, 2010 for the Named Executive Officers.

NONQUALIFIED DEFERRED COMPENSATION AT AND FOR THE YEAR ENDED DECEMBER 31, 2010

Name	Executive contributions in last fiscal year (\$)	Registrant contributions in last fiscal year (\$)	Aggregate earnings in last fiscal year (\$)	Aggregate withdrawals/distributions (\$)	Aggregate balance at last fiscal year end (\$)
William J. Wagner			498 (1)		18,544 (1)
William W. Harvey, Jr.					
Gregory C. LaRocca					
Steven G. Fisher					
Timothy A. Huber					

(1) Amounts listed as earnings and included in the aggregate balance at last fiscal year end have not been reported as compensation in Summary Compensation Tables because the earnings are not “above market.”

Effective December 31, 2005, Northwest Savings Bank suspended the Northwest Savings Bank and Affiliates Upper Managers’ Bonus Deferred Compensation Plan. Under this plan, certain employees of Northwest Savings Bank were eligible to defer all or part of their annual management incentive bonus. Interest is credited to a participant’s deferred compensation account at the annual earnings rate paid on Northwest Savings Bank’s five-year certificates of deposit, calculated as of the end of the preceding fiscal year. The interest rate paid for 2010 was 2.72%. Under this plan, participants could elect to receive either a lump-sum payment or approximately equal monthly installments over a period of up to 10 years, with payment commencing upon the earlier of specified events selected by the participant, including retirement, voluntary resignation, involuntary termination, death, disability, reaching a certain age or on a date selected by the participant. Mr. Wagner is the only Named Executive Officer who participated in this plan.

Employment Agreements

Northwest Bancshares, Inc. and Northwest Savings Bank are parties to a three-year employment agreement with William J. Wagner under which Mr. Wagner serves as President and Chief Executive Officer and as a director of Northwest Bancshares, Inc. and Northwest Savings Bank. On each anniversary date the contract renews for an additional year, and if it is not renewed it expires 36 months following the anniversary date. Under the agreement, Mr. Wagner’s base salary (\$511,300, effective July 1, 2010) is reviewed annually and may be increased but not decreased. In the event Northwest Bancshares, Inc. or Northwest Savings Bank terminates Mr. Wagner’s employment for reasons other than for “cause” (as defined below), or if Mr. Wagner resigns following a “change of control” (as defined below), or if Mr. Wagner resigns due to “good reason” (as defined below), Northwest Bancshares, Inc. or Northwest Savings Bank will pay Mr. Wagner severance pay equal to:

- (i) three times the sum of his highest rate of base salary, plus his highest rate of cash bonus paid during the prior three years, and
- (ii) continuation of life, health and dental coverage for 36 months from the date of termination, unless Mr. Wagner obtains similar benefits from his new employer.

To the extent necessary in order to avoid penalties under Section 409A of the Internal Revenue Code, the base salary and bonus amount shall be paid in a lump sum on the first day of the seventh month following the date of termination and no contributions shall be made by Northwest Bancshares, Inc. or Northwest Savings Bank to the life, health and dental coverage until the first day of the seventh month following termination of employment. The agreement contains a one-year non-compete provision which restricts Mr. Wagner from competing with Northwest Bancshares, Inc. or Northwest Savings Bank following a termination of employment within 100 miles of any existing office or branch of Northwest Bancshares, Inc. or Northwest Savings Bank or location for which regulatory approval is pending for an office or branch.

Northwest Bancshares, Inc. and Northwest Savings Bank and Messrs. LaRocca, Harvey, Fisher and Huber (the “executives”) are each a party to a three-year employment agreement under which the executives serve as executive officers of Northwest Bancshares, Inc. or Northwest Savings Bank. On each anniversary date the contract renews for an additional year, and if it is not renewed it expires 36 months following such anniversary date. Under the agreement, each of the executive’s current base salary is reviewed annually and may be increased but not decreased. As of July 1, 2010, Mr. LaRocca’s base salary was \$244,300; Mr. Harvey’s base salary was \$244,300; Mr. Fisher’s base salary was \$244,300 and Mr. Huber’s base salary was \$188,700. In the event Northwest Bancshares, Inc. or Northwest Savings Bank terminates the executive’s employment for reasons other than for “cause” (as defined below), or if the executive resigns following a “change of control” (as defined below), or if the executive resigns due to “good reason” (as defined below), Northwest Bancshares, Inc. or Northwest Savings Bank will pay the executive severance pay equal to three times the executive’s highest rate of base salary paid to him during the prior three years and a pro rata distribution under any incentive compensation or bonus plan for the year in which the executive’s employment is terminated for reasons other than for “cause” (as defined below). Northwest Savings Bank would also continue the executive’s life, medical and dental coverage for 36 months from the date of termination, unless the executive obtains similar benefits from his new employer. To the extent necessary in order to avoid penalties under Internal Revenue Code Section 409A, the base salary and bonus amount shall be paid in a lump sum on the first day of the seventh month following the date of termination and no contributions shall be made by Northwest Bancshares, Inc. or Northwest Savings Bank to the life, health and dental coverage until the first day of the seventh month following termination of employment. The employment agreement contains a two-year non-compete provision which restricts the executives from competing with Northwest Bancshares, Inc. or Northwest Savings Bank following termination of employment within 100 miles of any existing office or branch of Northwest Bancshares, Inc. or Northwest Savings Bank or location for which regulatory approval is pending for an office or branch.

The following provisions apply to all of the employment agreements. If the executive’s employment is terminated for “cause” (as defined below), no further compensation or benefits shall be paid under the employment agreement and all unvested stock options and unvested restricted stock awarded to the executive, as well as all unexercised stock options, shall be immediately forfeited. Any payments to the executive would be reduced, if necessary, so as not to be an “excess parachute payment” as defined by Internal Revenue Code Section 280G (relating to payments made in connection with a change in control). If the executive becomes disabled (within the meaning of Internal Revenue Code Section 409A), Northwest Savings Bank may terminate the employment agreement but will pay the executive his then-current base salary for the longer of the remaining term of the agreement or one year, reduced by the amount of any disability insurance, workers’ compensation or social security benefits paid to the executive. If the executive dies during the term of the agreement, Northwest Savings Bank shall continue to pay his then-current base salary for one year and shall provide life, medical and dental benefits for the executive’s family for three years after the executive’s death, at generally the same level as Northwest Savings Bank was providing such benefits at the time of the executive’s death. During the employment term and thereafter, the executive shall be indemnified and covered under a standard directors’ and officers’ liability insurance policy provided by Northwest Bancshares, Inc. or Northwest Savings Bank against all expenses and liabilities reasonably incurred in connection with or arising out of any action in which the executive may be involved by reason of his having been a director or officer of Northwest Bancshares, Inc. or Northwest Savings Bank, including judgments, court costs, attorneys fees and settlements approved by the board of directors. However, such indemnification does not apply to matters where the executive is adjudged liable for willful misconduct in performing his duties. All payments under any of the employment agreements will be made by Northwest Savings Bank, but if not timely paid, Northwest Bancshares, Inc. shall make such payments. The employment agreements are binding on successors to Northwest Bancshares, Inc. and Northwest Savings Bank.

The following definitions apply to all of the employment agreements.

Termination for “cause” means termination because of the executive’s personal dishonesty, willful misconduct, any breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any

law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order or other material breach of any provision of the employment agreement. In determining incompetence, the acts or omissions are measured against standards generally prevailing in the savings institutions industry. No act or failure to act shall be considered “willful” unless done or omitted to be done by the executive not in good faith

and without reasonable belief that the executive's action or omission was in the best interest of Northwest Bancshares, Inc. or Northwest Savings Bank.

Termination for "good reason" means an executive's voluntary resignation, upon not less than 120 days advance written notice given no later than 12 months after the occurrence of any of the following events:

- (i) reduction in the executive's base salary or benefits and perquisites, other than a general reduction that applies to all executives, unless such reduction is coincident with or following a "change in control" (as defined below);
- (ii) in the case of Mr. Wagner, failure to re-elect, re-appoint or re-nominate him to his position as President and Chief Executive Officer and as director of Northwest Bancshares, Inc. and Northwest Savings Bank or a change in Mr. Wagner's function, duties or responsibilities which would cause his position to become one of lesser responsibility, importance or scope;
- (iii) in the case of the other executives, reduction in their duties, responsibilities or status, such that there is a reduction in the executive's pay grade level in effect on the date of the employment agreement of more than three levels (in accordance with Northwest Savings Bank's normal personnel practices, as circulated annually to officers of Northwest Savings Bank);
 - (iv) a relocation of the executive's principal place of employment by more than 30 miles;
- (v) liquidation or dissolution of Northwest Bancshares, Inc. or Northwest Savings Bank other than reorganizations that do not affect the status of the executive; or
 - (vi) breach of the employment agreement by Northwest Bancshares, Inc. or Northwest Savings Bank.

"Change in control" means a change in control of a nature that:

- (i) would be required to be reported in response to Item 1(a) of Form 8-K, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act");
- (ii) results in a change in control of Northwest Bancshares, Inc. or Northwest Savings Bank within the meaning of the Bank Holding Company Act, as amended, and the applicable rules and regulations thereunder; or
 - (iii) a change in control shall be deemed to have occurred at such time as:
 - (a) any "person" (as defined in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Northwest Bancshares, Inc. representing 25% or more of the combined voting power of Northwest Bancshares, Inc.'s outstanding securities except for any securities purchased by Northwest Savings Bank's employee stock ownership plan or trust;
 - (b) individuals who constitute the board of directors on the effective date of the employment agreement (the "Incumbent Board") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to the date of the employment agreement whose election was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by Northwest Bancshares, Inc.'s stockholders was approved by the same nominating committee serving under the Incumbent Board, shall be, for purposes of this clause (b), considered as though he were a member of the Incumbent Board;

- (c) a plan of reorganization, merger, consolidation, sale of all or substantially all the assets of Northwest Bancshares, Inc. or Northwest Savings Bank or similar transaction in which Northwest Bancshares, Inc. or Northwest Savings Bank is not the surviving institution occurs;
- (d) a proxy statement soliciting proxies from stockholders of Northwest Bancshares, Inc., by someone other than the current management of Northwest Bancshares, Inc., seeking stockholder approval of a plan of reorganization, merger or consolidation of Northwest Bancshares, Inc. or similar transaction with one or more corporations or financial institutions, and as a result of such proxy solicitation, a plan of reorganization, merger or consolidation or similar transaction involving Northwest Bancshares, Inc. is approved by Northwest Bancshares, Inc.'s board of directors or the requisite vote of Northwest Bancshares, Inc.'s stockholders; or
- (e) a tender offer is made for 25% or more of the voting securities of Northwest Bancshares, Inc. and the shareholders owning beneficially or of record 25% or more of the outstanding securities of Northwest Bancshares, Inc. have tendered or offered to sell their shares pursuant to such tender offer and such tendered shares have been accepted by the tender offeror.

Potential Payments to Named Executive Officers

The following tables show potential payments that would be made to the Named Executive Officers upon specified events, assuming such events occurred on December 31, 2010, pursuant to each individual's employment agreement, pursuant to stock options that have been granted under our stock option plans and pursuant to our policies with respect to health care and other benefits continuation. All of the payments are subject to reduction under Section 280G of the Internal Revenue Code, and the amounts set forth below have not been adjusted for such reductions. For a discussion of additional benefits that would be paid to the Named Executive Officers upon various termination scenarios, see "—Defined Benefit Plan," "—Supplemental Executive Retirement Plan," and "—Life Insurance Coverage."

Type of Benefit	William J. Wagner						
	Involuntary Termination or Termination for Good Reason Before Change in Control or Voluntary Termination Upon or Any Time After Change in Control	Voluntary Termination for Cause	Death	Disability	Retirement		
Severance pay	\$ 1,533,900	—	—	\$ 511,300	\$ 1,006,400	—	
Bonus payment	\$ 335,635	\$ 111,878	—	\$ 111,878	\$ 111,878	\$ 111,878	
Stock option vesting acceleration	\$ 644,171	\$ 644,171	—	\$ 644,171	\$ 644,171	\$ 644,171	
Health care and other benefits continuation	\$ 58,115	—	—	\$ 21,816	—	—	

William W. Harvey, Jr.

Type of Benefit	Involuntary Termination or Termination for Good Reason Before Change in Control or Voluntary Termination Upon or Any Time After Change in Control						
	Control	Termination	for Cause	Death	Disability	Retirement	
Severance pay	\$ 732,900	—	—	\$244,300	\$297,305	—	
Bonus payment	\$ 52,475	\$52,475	—	\$52,475	\$52,475	\$52,475	
Stock option vesting acceleration	\$ 332,627	\$256,282	—	\$332,627	\$332,627	\$332,627	
Health care and other benefits continuation	\$ 47,254	—	—	\$42,466	—	—	

Gregory C. LaRocca

Type of Benefit	Involuntary Termination or Termination for Good Reason Before Change in Control or Voluntary Termination Upon or Any Time After Change in Control						
	Control	Termination	for Cause	Death	Disability	Retirement	
Severance pay	\$ 732,900	—	—	\$244,300	\$297,305	—	
Bonus payment	\$ 52,475	\$52,475	—	\$52,475	\$52,475	\$52,475	
Stock option vesting acceleration	\$ 217,686	\$217,686	—	\$217,686	\$217,686	\$217,686	
Health care and other benefits continuation	\$ 47,254	—	—	\$15,531	—	—	

Steven G. Fisher

Type of Benefit	Involuntary Termination or Termination for Good Reason Before Change in Control or Voluntary Termination Upon or Any Time After Change in Control						
	Control	Termination	for Cause	Death	Disability	Retirement	
Severance pay	\$ 732,900	—	—	\$244,300	\$297,305	—	
Bonus payment	\$ 52,475	\$52,475	—	\$52,475	\$52,475	\$52,475	
Stock option vesting acceleration	\$ 188,608	\$188,608	—	\$188,608	\$188,608	\$188,608	
	\$ 47,254	—	—	\$42,466	—	—	

Health care and other
benefits continuation

30

Timothy A. Huber

Type of Benefit	Involuntary Termination or Termination for Good Reason Before Change in Control or Voluntary Termination Upon or Any Time After Change in Control	Voluntary Termination	Termination for Cause	Death	Disability	Retirement
Severance pay	\$ 566,100	—	—	\$ 188,700	\$ 226,440	—
Bonus payment	\$ 44,829	\$ 44,829	—	\$ 44,829	\$ 44,829	\$ 44,829
Stock option vesting acceleration	\$ 227,228	\$ 227,228	—	\$ 227,228	\$ 227,228	\$ 227,228
Health care and other benefits continuation	\$ 47,254	—	—	\$ 40,672	—	—

Defined Benefit Plan

Northwest Savings Bank maintains the Northwest Savings Bank Pension Plan, which is a noncontributory defined benefit plan (“Retirement Plan”). All employees age 21 or older who have worked at Northwest Savings Bank for a period of one year and have been credited with 1,000 or more hours of employment with Northwest Savings Bank during the year are eligible to accrue benefits under the Retirement Plan. Northwest Savings Bank annually contributes an amount to the Retirement Plan necessary to at least satisfy the actuarially determined minimum funding requirements in accordance with the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). At December 31, 2010, the Retirement Plan fully met its funding requirements under Section 412 of the Internal Revenue Code.

At the normal retirement age of 65, the plan is designed to provide a single life annuity benefit. The retirement benefits for employees hired or acquired prior to January 1, 2008 is an amount equal to 1.6% of a participant’s average monthly base salary based on the average of the five consecutive years of the last ten calendar years providing the highest monthly average multiplied by the participant’s years of service to the normal retirement date (up to a maximum of 25 years) plus: (i) 0.6% of such average monthly compensation in excess of one-twelfth of covered compensation (as defined in the plan) multiplied by the participant’s total number of years of service up to a maximum of 25 years; and (ii) for participants who retire on or after June 1, 1995, 0.6% of such participant’s average monthly compensation multiplied by the participant’s number of years of service between 25 years and 35 years. Retirement benefits are also payable upon retirement due to early and late retirement, disability or death. A reduced benefit is payable upon early retirement at or after age 55 and the completion of five years of service with us (or after 25 years of service and no minimum age). Upon termination of employment other than as specified above, a participant who was employed by us for a minimum of five years is eligible to receive his or her accrued benefit commencing, generally, on such participant’s normal retirement date. Benefits under the Retirement Plan are payable in various annuity forms. For the plan year ended December 31, 2010, we made contributions to the Retirement Plan of \$6.0 million.

Effective January 1, 2008, several changes were made to the Retirement Plan. The definition of normal retirement was changed from age 65 to age 65 with five years of service for all employees hired on or after January 1, 2008. Benefits for all employees hired or acquired on or after January 1, 2008 will be calculated using a benefit calculation of 1% of a participant’s average monthly base salary based on the average of the five consecutive years of the last ten calendar years providing the highest monthly average multiplied by the participant’s years of service to the

normal retirement date (up to a maximum of 35 years).

31

The following table indicates the annual retirement benefit that would be payable under the Retirement Plan upon retirement at age 65 in calendar year 2010, expressed in the form of a single life annuity, for the final average salary and benefit service classifications specified below. The table reflects the benefit payments for those employees hired or acquired prior to January 1, 2008, benefit payments are lower for employees hired or acquired after that date.

Average Compensation	Years of Service and Annual Benefit Payable at Retirement					
	15	20	25	30	35	40
\$ 25,000	\$ 6,000	\$ 8,000	\$ 10,000	\$ 10,750	\$ 11,500	\$ 11,500
\$ 50,000	\$ 12,000	\$ 16,000	\$ 20,000	\$ 21,500	\$ 23,000	\$ 23,000
\$ 75,000	\$ 18,000	\$ 24,000	\$ 30,000	\$ 32,250	\$ 34,500	\$ 34,500
\$ 100,000	\$ 24,572	\$ 32,762	\$ 40,953	\$ 43,953	\$ 46,953	\$ 46,953
\$ 125,000	\$ 32,822	\$ 43,762	\$ 54,703	\$ 58,453	\$ 62,203	\$ 62,203
\$ 150,000	\$ 41,072	\$ 54,762	\$ 68,453	\$ 72,953	\$ 77,453	\$ 77,453
\$ 175,000	\$ 49,322	\$ 65,762	\$ 82,203	\$ 87,453	\$ 92,703	\$ 92,703
\$ 200,000	\$ 57,572	\$ 76,762	\$ 95,953	\$ 101,953	\$ 107,953	\$ 107,953
\$ 225,000	\$ 65,822	\$ 87,762	\$ 109,703	\$ 116,453	\$ 123,203	\$ 123,203
\$ 245,000 plus	\$ 72,422	\$ 96,562	\$ 120,703			