

Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

COMMUNITY BANCORP /VT  
Form DEF 14A  
April 08, 2004

SCHEDULE 14A  
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

(Amendment No. )

Filed by the Registrant [X]  
Filed by a party other than the Registrant [ ]

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

COMMUNITY BANCORP.

-----  
(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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.

Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

(1) Amount previously paid:

-----

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

-----

(3) Filing party:

-----

(4) Date Filed:

-----

April, 2004

Dear Fellow Shareholders:

You are cordially invited to the Annual Meeting of the Shareholders of Community Bancorp., which will be held at 5:30 P.M. at the Elks Club, Derby, Vermont, on Tuesday, May 4, 2004. As in prior years, a dinner will be served following the meeting.

I have enclosed our proxy materials and our Annual Report for 2003 for your review. I encourage you to sign, date and return your proxy card promptly so that your shares will be represented and can be voted at the meeting whether or not you are present in person. You may withdraw your proxy and vote in person at the meeting if you choose to do so.

Thank you for your continued support of Community Bancorp. I look forward to seeing you at the annual meeting.

Sincerely,

COMMUNITY BANCORP.

/s/ Richard C. White

Richard C. White  
Chairman & CEO

RCW/cb  
Enclosures

[LOGO]

COMMUNITY BANCORP.  
Derby Road  
Route 5  
Derby, Vermont 05829

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 4, 2004

The annual meeting of shareholders of Community Bancorp. will be held

## Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

at the Elks Club, Derby, Vermont, on Tuesday, May 4, 2004, at 5:30 p.m., for the following purposes:

1. To elect four directors to serve until the annual meeting of Shareholders in 2007;
2. To ratify the selection of the independent public accounting firm of Berry, Dunn, McNeil & Parker as the Company's external auditor for the fiscal year ending December 31, 2004; and
3. To transact such other business as may properly be brought before the meeting.

The close of business on March 9, 2004, has been fixed as the record date for determining shareholders entitled to notice of, and to vote at, the annual meeting.

By Order of the Board of Directors,

/s/ Chris Bumps

CHRIS BUMPS  
Corporate Secretary

Derby, Vermont  
April 1, 2004

YOUR PROXY IS ENCLOSED. PLEASE FILL IN, DATE, SIGN AND RETURN YOUR PROXY PROMPTLY IN THE ENCLOSED POSTAGE PAID ENVELOPE WHETHER OR NOT YOU PLAN TO BE PRESENT AT THE MEETING. YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. IT IS IMPORTANT THAT YOU RETURN YOUR COMPLETED PROXY PROMPTLY.

### INDEX

PROXY STATEMENT	1
ANNUAL MEETING OF SHAREHOLDERS	1
GENERAL VOTING INFORMATION	1
Who is entitled to vote at the annual meeting?	1
How many votes do I have?	1
How do I vote?	1
Can I change my vote after submitting the proxy card?	1
How many shares are entitled to vote at the meeting?	2
What constitutes a quorum and how are votes counted for that purpose?	2
What are "broker non-votes" and how do they affect calculation of a quorum or voting on any matter?	2
What does it mean if I received more than one proxy card?	2
How do I vote if my shares are held in the name of a broker or bank?	2
How are proxies being solicited and who pays the expenses?	2
How many votes are required for the election of directors?	3
How many votes are required to ratify the selection of Berry, Dunn, McNeil & Parker as the Company's independent auditor?	3
How many votes are required to approve any other matter that may come before the meeting?	3
May shareholders submit nominations for election as directors or for consideration of other matters?	3
SHARE OWNERSHIP INFORMATION	4
Section 16(a) Beneficial Ownership Reporting Compliance	4

Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

ARTICLE 1	5
ELECTION OF DIRECTORS	5
Directors' Fees and Other Compensation	7
Directors' Deferred Compensation Plan	7
Vote Required	7
CORPORATE GOVERNANCE	8
Director Independence	8
Board Committees	8
Board Meeting Attendance	10
Shareholder Communications with the Board	10
Attendance at Annual Shareholders Meeting	11
Compensation Committee Interlocks and Insider Participation	11
Transactions with Management	11
AUDIT COMMITTEE REPORT	11
HUMAN RESOURCES COMMITTEE REPORT	12
STOCK PERFORMANCE GRAPH	14
EXECUTIVE OFFICERS	15
EXECUTIVE COMPENSATION	15
Summary Compensation Table	16
Annual Compensation	16
Retirement Savings Plan	17
Officer Incentive Plan	17
Supplemental Retirement Plan	19
ARTICLE 2	19
RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS	19
Previous Change in Independent Auditors	19
Pre-Approval Required for Services of Independent Auditors	20
Fees Paid to Independent Auditors	20
Vote Required	21
ANNUAL REPORT	21
SHAREHOLDER NOMINATIONS AND PROPOSALS	21
Shareholder Nominations	21
Shareholder Proposals	21
Use of Discretionary Authority in Connection with Shareholder Nominations and Proposals	22
Inclusion of Shareholder Proposals in Company Proxy Materials	22
OTHER MATTERS	22
Appendix A-Audit Committee Charter	A-1

COMMUNITY BANCORP.  
Derby Road  
Route 5  
Derby, Vermont 05829

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS  
May 4, 2004

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Community Bancorp. (the "Company") for use at the annual meeting of shareholders and any adjournments of that meeting. The annual meeting will be held on Tuesday, May 4, 2004, at 5:30 p.m. at the Elks Club in Derby, Vermont. The proxy statement and related proxy card are first being sent to shareholders on or about April 1, 2004.

GENERAL VOTING INFORMATION

## Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

Who is entitled to vote at the annual meeting?

Only shareholders of record on the record date for the meeting are entitled to vote. The record date is the close of business on March 9, 2004.

How many votes do I have?

Each issued and outstanding share of common stock is entitled to one vote on each matter presented for vote at meeting.

How do I vote?

You may vote by completing and returning the enclosed proxy card in the postage-paid envelope or by voting in person at the meeting. A written ballot will be distributed at the meeting for those shareholders of record who wish to vote in person.

Can I change my vote after submitting the proxy card?

Yes. If you submit your proxy card and later decide that you wish to change or revoke your proxy, you may do so at any time before the proxy is exercised at the annual meeting, by

- \* giving written notice of revocation to Chris Bumps, Corporate Secretary, Community Bancorp., P.O. Box 259, Derby, Vermont 05829;
- \* executing a later-dated proxy card and giving written notice to the Corporate Secretary; or
- \* voting in person after giving written notice of revocation of your proxy to the Corporate Secretary.

If you need another proxy card to revoke an earlier proxy or if you have any questions, please call the Corporate Secretary at 802-334-7915.

The last vote you submit will supersede all your prior vote(s).

1

How many shares are entitled to vote at the meeting?

As of the record date for the meeting (March 9, 2004), there were 3,801,998 shares of the Company's common stock issued and outstanding and entitled to vote at the meeting.

What constitutes a quorum and how are votes counted for that purpose?

In order to conduct business at the meeting, a quorum must be present. A majority (more than 50%) of the outstanding shares of the Company's common stock, present in person or represented by proxy, will constitute a quorum at the meeting. Shares represented by proxies or ballots, including those marked "withhold" on Item 1 (Election of Directors) or "abstain" on Item 2 (Ratification of Selection of Independent Auditors), will be treated as shares present or represented at the meeting for purposes of determining a quorum.

What are "broker non-votes" and how do they affect calculation of a quorum or voting on any matter?

Shares held in "street name" by brokers (meaning shares held in the name of brokers or their nominees but actually owned by the brokers' customers)

## Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

must generally be voted by the broker in accordance with your instructions. Proxies submitted by brokers that do not indicate a vote for some or all of the proposals because they do not have discretionary voting authority and have not received instructions as to how to vote on those proposals (so-called "broker non-votes") will be deemed present or represented at the meeting for purposes of a quorum. However, like abstentions, broker non-votes are not counted as votes cast and therefore will not affect the outcome of any matter to be voted on at the meeting.

What does it mean if I received more than one proxy card?

If you received more than one proxy card, your shares are registered in different names (for example, "John Smith" and "J. Smith") or are in more than one account. Sign and return all proxy cards to ensure that all your shares are voted. Please have all your accounts registered in the same name and address. You may do this by contacting the Corporate Secretary at 802-334-7915.

How do I vote if my shares are held in the name of a broker or bank?

If your shares are held by a broker or bank, you must follow the voting instructions on the form you receive from your broker or bank. This is the case because your broker or bank, not you, is the record holder of the shares for purposes of determining who is entitled to vote shares at the meeting and is therefore the party in whose name the shares must be voted.

How are proxies being solicited and who pays the expenses?

Proxies are being solicited by mail. They may also be solicited by the Company's directors and officers and by the directors, officers and employees of the Company's wholly-owned subsidiary, Community National Bank (the "Bank"). Those individuals may solicit proxies personally or by telephone or electronic communication but they will not receive any additional compensation for any such efforts. In addition, the Company has arranged with brokerage houses, banks and other custodians, nominees and fiduciaries to send to their principals this proxy statement, proxy card and accompanying annual report to shareholders, and will reimburse them for out-of-pocket expenses they incur in forwarding the materials.

2

How many votes are required for the election of directors?

The affirmative vote of a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on Item 1 (Election of Directors) is required for the election of directors. A "plurality" means receiving a higher number of votes than any other candidate. At the annual meeting, four director seats will be filled. Therefore, the four nominees receiving the four highest vote totals will be elected as directors.

Shares represented by proxies or ballots marked "WITHHOLD" on Item 1 (Election of Directors) and broker non-votes, if any, will not have any direct effect on the outcome of the election of directors or result in the defeat of any of the Board's nominees, if there are no other nominees for any of the open board seats. There are no other nominees at present.

Votes on Item 1 will be counted in vote totals announced at the annual meeting by the inspectors of election.

## Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

How many votes are required to ratify the selection of Berry, Dunn, McNeil & Parker as the Company's independent auditor?

Approval of selection of the Company's independent auditor would require that more votes are cast in favor than are cast against the proposal.

Shares represented by proxies or ballots marked "ABSTAIN" on Item 2 (Ratification of Selection of Independent Auditors) and broker non-votes, if any, are not treated as votes cast and, therefore, would have no effect on the outcome of the vote to ratify the selection of the Company's independent auditors.

Votes on Item 2 will be counted and vote totals announced at the annual meeting by the inspectors of election.

How many votes are required to approve any other matter that may come before the meeting?

The management and directors of the Company do not know of any other matter that may be put to a vote at the meeting. If such a matter does arise, any shares represented by proxies may be voted at the discretion of the attorneys-in-fact named in the proxies, to the extent permitted by law. Approval of any such other matter would require that more votes be cast for the matter than against. Abstentions from voting and broker non-votes, if any, are not treated as votes cast and therefore, would have no effect on the vote to approve any such other matter.

May shareholders submit nominations for election as directors or for consideration of other matters?

The Company's bylaws include a process shareholders should follow if they wish to submit director nominations or propose other action for vote by the shareholders. The deadline for submissions relating to the 2004 annual meeting was January 6, 2004 (120 days before the annual meeting). The deadline for submissions for the 2005 annual meeting is January 4, 2005. Additional information about this process is contained elsewhere in this proxy statement under the caption "SHAREHOLDER NOMINATIONS AND PROPOSALS."

3

In addition, the Corporate Governance/Nominating Committee of the Board of Directors will consider recommendations made by shareholders for possible nominees for election as directors. Additional information about this process is contained elsewhere in this proxy statement under the caption "CORPORATE GOVERNANCE-Board Committees-Corporate Governance/ Nominating Committee."

### SHARE OWNERSHIP INFORMATION

The following table shows the amount of common stock beneficially owned by all directors (including nominees standing for re-election) and executive officers of the Company as a group.

Amount & Nature of Beneficial  
Ownership of Common Stock (1)  
-----

Edgar Filing: COMMUNITY BANCORP /VT - Form DEF 14A

	Sole Voting & Investment Power -----	Shared Voting & Investment Power -----	Percent of Class -----
All Directors, Nominees & Executive Officers as a Group (11 in number)	375,361	62,700	11.52%