

UNIVEST CORP OF PENNSYLVANIA
Form PRE 14A
February 27, 2006

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

UNIVEST Corporation of Pennsylvania

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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- 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:

[UNIVEST CORPORATION LOGO]

14 North Main Street
P. O. Box 64197
Souderton, Pennsylvania 18964

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 11, 2006

TO THE HOLDERS OF COMMON STOCK:

The Annual Meeting of Shareholders of Univest Corporation of Pennsylvania will be held on Tuesday, April 11, 2006, at 10:45 a.m., in the Univest Building, 14 North Main Street, Souderton, Pennsylvania.

Univest's Board of Directors recommends a vote:

1. FOR the election of four Class I directors each for a three-year term expiring in 2009 and until their successors are elected and qualified.
2. FOR the election of three alternate directors each for a one-year term expiring in 2007 and until their successors are elected and qualified.
3. FOR the proposal to Amend the Articles of Incorporation of Univest Corporation of Pennsylvania to Add Authorization Provision and to Restate the Purpose Provision.
4. FOR the proposal to Amend Univest's Articles of Incorporation to Increase the Number of Authorized Shares of Common Stock and to Authorize Issuance of Preferred Stock.
5. FOR the proposal to Amend Univest's Articles of Incorporation to Reduce Quorum at Shareholder Meetings from 66 2/3% to a Majority.
6. FOR the proposal to Amend Univest's Articles of Incorporation to Clarify the Nomination Process for Alternate Directors.

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

The close of business on February 24, 2006, has been fixed by the Board of Directors as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting.

The accompanying proxy statement forms a part of this notice.

SEPARATE PROXY CARDS ARE ENCLOSED TO SHAREHOLDERS FOR THE PURPOSE OF VOTING ALL THEIR SHARES OF THE CORPORATION'S COMMON STOCK.

IT IS IMPORTANT THAT EACH SHAREHOLDER EXERCISE HIS/HER RIGHT TO VOTE. Whether or not you plan to attend the meeting, please take a moment now to cast your vote over the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or alternatively, to complete, sign, and date the enclosed proxy card and return it in the postage-paid envelope we have provided in order that your shares will be represented at the meeting. If you attend the meeting, you may vote in person.

By Order of the Board of Directors

WILLIAM S. AICHELE
Chairman

WALLACE H. BIELER
Secretary

March 10, 2006

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PROXY STATEMENT

Univest Corporation of Pennsylvania (Univest or Corporation) is a one-bank holding company organized by Union National Bank and Trust Company of Souderton under the Bank Holding Company Act of 1956, as amended. Univest elected to become a Financial Holding Company in 2000 as provided under Title I of the Gramm-Leach-Bliley Act, and is subject to supervision by the Federal Reserve System. The Principal subsidiary of the Corporation is Univest National Bank and Trust Co. (Bank). Union National Bank and Trust Company of Souderton and Pennview Savings Bank (which was a wholly owned subsidiary of the Corporation) were merged together on January 18, 2003 with Union National Bank and Trust Company of Souderton being the surviving entity. Upon the completion of the merger, Union National Bank and Trust Company of Souderton's name was changed to Univest National Bank and Trust Co.

The accompanying proxy is solicited by the Board of Directors (Board) of Univest Corporation of Pennsylvania, 14 North Main Street, P.O. Box 64197, Souderton, Pennsylvania 18964, for use at the Annual Meeting of Shareholders to be held April 11, 2006, and at any adjournment thereof. Copies of this proxy statement and proxies to vote the Common Stock are being sent to the shareholders on or about March 10, 2006. Any shareholder executing a proxy may revoke it at any time by giving written notice to the Secretary of the Corporation before it is voted. Some of the officers of the Corporation or employees of the Bank and other subsidiary companies or employees of StockTrans, Inc., may solicit proxies personally and by telephone, if deemed necessary. The Corporation will bear the cost of solicitation and will reimburse brokers or other persons holding shares of the Corporation's voting stock in their names, or in the names of their nominees, for reasonable expense in forwarding proxy cards and proxy statements to beneficial owners of such stock.

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

Univest's Board of Directors recommends a vote:

1. FOR the election of four Class I directors each for a three-year term expiring in 2009 and until their successors are elected and qualified.
2. FOR the election of three alternate directors each for a one-year term expiring in 2007 and until their successors are elected and qualified.
3. FOR the proposal to Amend the Articles of Incorporation of Univest Corporation of Pennsylvania to Add Authorization Provision and to Restate the Purpose Provision.
4. FOR the proposal to Amend Univest's Articles of Incorporation to Increase the Number of Authorized Shares of Common Stock and to Authorize Issuance of Preferred Stock.
5. FOR the proposal to Amend Univest's Articles of Incorporation to Reduce Quorum at Shareholder Meetings from 66 2/3% to a Majority.
6. FOR the proposal to Amend Univest's Articles of Incorporation to Clarify the Nomination Process for Alternate Directors.

The Board has fixed the close of business on February 24, 2006, as the record date for the determination of shareholders entitled to notice and to vote at the Annual Meeting. As of February 24, 2006, there were 14,873,904 issued and 12,950,264 outstanding shares of Common Stock (exclusive of 1,923,640 shares held as treasury stock which will not be voted).

Holders of record of the Corporation's Common Stock on February 24, 2006 will be entitled to one vote per share on all business of the meeting. Directors and Alternate Directors are elected by a plurality. All other matters of business listed in this proxy will be decided by majority vote of the shares represented at the meeting. Certain other matters, of which none are anticipated to be voted upon at the meeting, may require super majority approval as specified by the

amended Articles of Incorporation. The presence in person or by proxy of the holders of 66 2/3% of the outstanding shares of Common Stock will constitute a quorum for the transaction of business at the meeting.

As of February 15, 2006, Univest National Bank and Trust Co. held 990,111 shares or 7.6% of the Corporation's Common Stock in various trust accounts in a fiduciary capacity in its Trust Department. No one trust account has 5% or more of the Corporation's Common Stock.

A copy of the Annual Report to Shareholders, including financial statements for the year ended December 31, 2005, was mailed on March 10, 2006 to each shareholder of record as of February 24, 2006. The Annual Report is not a part of the proxy soliciting material.

ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS

The person named in the accompanying proxy intend to vote to elect as directors the nominees listed below in each case, unless authority to vote for directors is withheld in the proxy. The Bylaws authorize the Board to fix the number of Directors to be elected from time to time. By proper motion, they have established the number at four Class I Directors each to be elected for a three-year term expiring in 2009 and a pool of three Alternate Directors each to be elected for a one-year term expiring in 2007.

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

The following information, as of February 15, 2006, is provided with respect to the nominees for election to the Board.

Name	Age	Business Experience	Director Since **
Class I (each to be elected for a three-year term expiring 2009):*			
William S. Aichele	55	Chairman, President, and CEO of the Corporation and Chairman and CEO of Univest National Bank and Trust Co.	1990
Norman L. Keller	68	Retired Executive Vice President of the Corporation	1990
Thomas K. Leidy	67	Retired President and CEO, Leidy's, Inc. (Pork Processing).	1984
Merrill S. Moyer	71	Retired Chairman of the Corporation and Retired Chairman of Univest National Bank and Trust Co.	1984
Alternate Directors (each to be elected for a one-year term expiring 2007):*			
Margaret K. Zook	60	Executive Director Souderton Mennonite Homes (Retirement Community)	1999
William G. Morral	59	Executive Director, North Penn United Way	2002
Mark A. Schlosser	41	President, Schlosser Steel, Inc. (Steel Manufacturing)	2005

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

Class II (continuing for a three-year term expiring 2007):

James L. Bergey	70		1984
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Charles H. Hoeflich	91	President and Sales Manager, Abram W. Bergey & Sons, Inc. (Floor Coverings)	1962
John U. Young	67	Chairman Emeritus of the Corporation Consultant & Director, Alderfer, Inc. (Meat Processing)	1990

Class III (continuing for a three-year term expiring 2008):

Marvin A. Anders	66	Retired Chairman of the Corporation and Retired Chairman of Univest National Bank and Trust Co.	1996
R. Lee Delp	59	Principal, R. L. Delp & Company (Business Consulting)	1994
H. Ray Mininger	65	President, H. Mininger & Son, Inc. (General Contractor)	1995
P. Gregory Shelly	60	President, Shelly Enterprises, Inc. (Building Materials)	1985

*All nominees are now directors or alternate directors respectively.

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

The following information, as of February 15, 2006, is provided with respect to the Executive Officers of the Corporation not serving as a Director of the Board.

Name	Age	Current Primary Positions	Current Position Since
Wallace H. Bieler	60	Senior Executive Vice President, Chief Financial Officer, Chief Operation Officer, and Corporate Secretary of Univest Corporation and Chief Financial Officer and Corporate Secretary of Univest National Bank and Trust Co.	2005
K. Leon Moyer	56	Senior Executive Vice President of Univest Corporation and President and Chief Operating Officer of Univest National Bank and Trust Co.	2005

Beneficial Ownership of Directors and Officers

Name	Shares of Common Stock Beneficially Owned 2/15/06*	Percent of Outstanding Shares
William S. Aichele (1)	320,833	2.48%
Marvin A. Anders (2)	342,348	2.64%
Wallace H. Bieler (3)	63,971	**
James L. Bergey (4)	28,914	**
R. Lee Delp	9,135	**

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Charles H. Hoeflich	285,269	2.20%
Norman L. Keller (5)	81,076	**
Thomas K. Leidy (6)	301,960	2.33%
H. Ray Mininger (7)	25,985	**
William G. Morral (8)	37,138	**
K. Leon Moyer (9)	51,030	**
Merrill S. Moyer (10)	324,195	2.50%
Mark A. Schlosser(11)	12,196	**
P. Gregory Shelly (12)	103,607	**
John U. Young	17,107	**
Margaret K. Zook	993	**
All Directors and Executive Officers as a Group		
(16 persons)	1,438,757	11.11%

* The shares "Beneficially owned" may include shares owned by or for, among others, the spouse and/or minor children of the individuals and any other relative who has the same home as such individual, as well as other shares as to which the individual has or shared voting or investment power. Beneficial ownership may be disclaimed as to certain of the securities.

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

(1) Includes 189,000 shares in the Uninvest Deferred Salary Savings Plan of which Mr. Aichele is a co-trustee. He disclaims beneficial ownership of these shares. Also included are 74,869 shares which may be acquired by the exercise of vested stock options.

(2) Includes 189,000 shares in the Uninvest Deferred Salary Savings Plan of which Mr. Anders is a co-trustee and 36,297 shares owned by a member of his family. He disclaims beneficial ownership of these shares. Also included are 43,238 shares which may be acquired by the exercise of vested stock options.

(3) Includes 25,648 shares which may be acquired by the exercise of vested stock options.

(4) Includes 1,709 shares owned by a member of Mr. Bergey's family. He disclaims beneficial ownership of these shares.

(5) Includes 45,574 shares owned by members of Mr. Keller's family. He disclaims beneficial ownership of these shares.

(6) Includes 189,000 shares in the Uninvest Deferred Salary Savings Plan of which Mr. Leidy is a co-trustee, 9,071 shares owned by a member of his family, and 19,176 shares over which he shares voting and/or investment power. He disclaims beneficial ownership of these shares.

(7) Includes 9,715 shares over which Mr. Mininger shares voting and/or investment power. He disclaims beneficial ownership of these shares.

(8) Includes 1,970 shares owned by members of Mr. Morral's family, and 12,571 shares over which he shares voting and/or investment power. He disclaims beneficial ownership of these shares.

(9) Includes 6,490 shares owned by members of Mr. Moyer's family. He disclaims beneficial ownership of these shares. Also included are 25,870 shares which may be acquired by the exercise of vested stock options.

(10) Includes 189,000 shares in the Uninvest Deferred Salary Savings Plan of which Mr. Moyer is a co-trustee, and 62,842 shares owned by a member of his family. He disclaims beneficial ownership of these shares.

(11) Includes 8,433 shares over which Mr. Schlosser shares voting and/or investment power and 843 shares owned by a member of his family. He disclaims beneficial interest of these shares.

(12) Includes 37,991 shares owned by members of Mr. Shelly's family. He disclaims beneficial ownership of these shares.

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

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

To the Corporation's knowledge, based solely on a review of the copies of such reports furnished to the Corporation and written representations that no other reports were required during the fiscal year ended December 31, 2005, all Section 16 (a) reports by its officers, directors and greater than ten percent beneficial owners were timely filed except reports filed by Thomas K Leidy for the acquisition of 200 shares of Common Stock of the Corporation on April 1, 2005 and for the disposal of 20,107 shares of Common Stock of the Corporation as Trustee for the Leidy's Inc. 401(K) Plan between July 11 and August 31, 2005, John U. Young for the acquisition of 150 shares of Common Stock of the Corporation on February 18, 2005, James L. Bergey for the acquisition of 88 shares of Common Stock of the

Corporation on March 29, 2005, and the three named executive officers of the Corporation for the issuance of 30,000 stock options on December 30, 2005.

The Board, the Board's Committees and Their Functions

Univest's Board met twelve times during 2005. All of the directors attended at least 75% of the meetings of the Board and of the committees of which they were members with the exception of Charles H. Hoeflich, Chairman Emeritus of the Corporation, who attended 63%. All directors are encouraged to attend the annual meeting of Shareholders. In 2005, all Directors were present at the annual shareholder's meeting. The Board has established a number of committees, including the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, each of which is described below.

Each non-employee Director or Alternate Director is paid an annual retainer fee of \$10,000. Each non-employee Director receives a fee of \$800 for each Board Meeting of Univest Corporation of Pennsylvania or Univest National Bank and Trust Co. which he/she attends. Each Alternate Director receives a "consultant fee" of \$800 for each Board meeting of Univest Corporation of Pennsylvania or Univest National Bank and Trust Co. which he/she attends. Only one fee is paid to the Director or Alternate Director if these Boards meet on a concurrent basis. Non-employee Directors or Alternate Directors who attend other committee meetings of the Board receive a fee or "consultant fee" ranging from \$450 to \$750 for each meeting attended.

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

Univest Corporation
Attention (Board Member's name)
Office the Corporate Secretary
14 N. Main Street
P.O. Box 64197
Souderton, PA 18964

Board of Director Committees

Board Member	Corporate Board	Audit	Compensation	Nominating and Governance		Independent*
William S. Aichele	Chairman	-	-	-	-	-
Marvin A. Anders	X	-	-	-	-	-