ING Infrastructure, Industrials & Materials Fund
Form N-Q
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of Registered

Management Investment Company

Investment Company Act file number: 811-22051

ING Infrastructure, Industrials and Materials Fund

(Exact name of registrant as specified in charter)

7337 East Doubletree Ranch Rd., Suite 100, Scottsdale, AZ 85258

(Address of principal executive offices) (Zip code)

Huey P. Falgout, Jr., 7337 East Doubletree Ranch Road, Scottsdale, AZ 85258

(Name and address of agent for service)

Registrant s telephone number, including area code: 1-800-992-0180

Date of fiscal year end: February 28
Date of reporting period: November 30, 2012

Item 1. Schedule of Investments

The schedules of investments as of the close of the reporting period are set forth below for:

ING Infrastructure, Industrials and Materials Fund

The schedules are not audited.

ING Infrastructure, Industrials and Materials Fund

PORTFOLIO OF INVESTMENTS
as of November 30, 2012 (Unaudited)

Shares				Value	Percentage of Net Assets
COMMON STOCK: 99.6%					
		Australia: 0.4%			
175,252		Iluka Resources Ltd.	$	**1,508,801**	**0.4**
		Brazil: 3.1%			
158,700		CPFL Energia SA ADR		3,466,008	1.0
229,900		Vale SA ADR		4,007,157	1.1
282,500		Weg S.A.		3,602,642	1.0
				11,075,807	**3.1**
		Canada: 0.5%			
531,600		Bombardier, Inc. - Class B		**1,878,407**	**0.5**
		Chile: 0.8%			
169,100		Enersis SA ADR		**2,866,245**	**0.8**
		China: 2.2%			
310,000		China Unicom Hong Kong Ltd. ADR		4,814,300	1.4
1,718,639		Dongfang Electrical Machinery Co., Ltd.		2,925,610	0.8
				7,739,910	**2.2**
		Finland: 1.0%			
66,684		Outotec Oyj		**3,522,164**	**1.0**
		France: 8.0%			
42,210		Air Liquide		5,159,870	1.4
158,628	@	Cie Generale de Geophysique-Veritas		4,851,437	1.4
79,298		Schneider Electric S.A.		5,582,129	1.6
216,131		Suez Environnement S.A.		2,355,653	0.7
51,283		Technip S.A.		5,962,218	1.7
93,276		Vinci S.A.		4,122,507	1.2
				28,033,814	**8.0**
		Germany: 8.5%			
68,729		BASF AG		6,162,085	1.8
152,335		Deutsche Post AG		3,164,112	0.9
406,989		Deutsche Telekom AG		4,482,858	1.3
217,737		E.ON AG		3,926,431	1.1
98,840		GEA Group AG		3,232,681	0.9
85,117		Siemens AG		8,799,871	2.5
				29,768,038	**8.5**
		Hong Kong: 1.8%			
111,000		China Mobile Ltd. ADR		**6,318,120**	**1.8**
		India: 0.5%			
58,900		Larsen & Toubro Ltd.		**1,805,227**	**0.5**
		Ireland: 1.2%			
233,167	@	CRH PLC		**4,268,142**	**1.2**
		Israel: 1.0%			
299,334		Israel Chemicals Ltd.		**3,687,978**	**1.0**
		Italy: 2.8%			
1,530,321		Enel S.p.A.		5,804,038	1.6
388,232		Fiat Industrial SpA		4,151,296	1.2
				9,955,334	**2.8**
		Japan: 4.1%			
828,000		Hitachi Ltd.		4,798,538	1.4
163,300		Komatsu Ltd.		3,681,976	1.0
419,000		Mitsubishi Electric Corp.		3,273,846	0.9
324,000		Zeon Corp.		2,633,887	0.8

			14,388,247 Total		
Name		**($)**	**(1) ($)**	**(2) ($)**	**($)**
James Biddle, Jr.	21,500			1,358	22,858
Phillp Brothman	55,400			8,139	63,539
Kenneth C. Kirst	23,500			1,078	24,578
Mary C. Militello	21,050			292	21,342
John R. O Brien	29,850				29,850
David M. Taylor	27,700			1,689	29,389
James Tilley (3)	23,150				23,150
Nancy W. Ware	20,600			1,851	22,451
Thomas H. Waring	22,550			397	22,947

(1) The following reflects all equity awards outstanding for each director as of December 31, 2009. The stock option awards reflect unexercised grants of stock options, whether or not vested:

Name	Stock Options (#)
James E. Biddle, Jr.	4,261
Phillip Brothman	10,650
Kenneth C. Kirst	2,000
Mary C. Militello	3,103
John R. O Brien	3,921
David M. Taylor	4,261
James Tilley	1,000
Nancy W. Ware	4,261
Thomas H. Waring, Jr.	6,390

(2) Deferred Compensation Plan. The Company

maintains a non-qualified deferred compensation plan whereby the directors may elect to defer 1% to 100% of their fees until retirement or termination of service. The Company credits such deferrals at a rate determined at the beginning of each plan year equal to 1% over the prime rate as of each January 1st. During 2009, amounts credited under the deferred compensation plan at interest rates greater than 120% of the applicable federal long-term rate in effect have been reported for participating directors for the amounts credited at the plan rate paid, less 120% of the applicable federal long-term rate.

(3) Mr. Tilley received $118,833 in distributions from retirement

plans through the Company in fiscal 2009, related to his prior service as an executive officer.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Human Resource and Compensation Committee are: Phillip Brothman, Mary Catherine Militello, John R. O Brien, Nancy W. Ware and Thomas H. Waring, Jr. None of the members of the Human Resource and Compensation Committee during fiscal 2009 is or has been an officer or employee of the Company or any of its subsidiaries. Mr. Brothman is a member of the law firm of Harris Beach PLLC, which serves as general counsel to the Company and receives legal fees in exchange for such services. Mr. Waring serves as agent for the Bank in purchasing life and disability insurance policies. See Transactions with Related Persons.

During fiscal 2009, none of the Company s executive officers served on the compensation committee (or equivalent) or on the board of directors of another entity, whose executive officers served on the Human Resource and Compensation Committee or the Company s Board of Directors.

COMPENSATION COMMITTEE REPORT

The information contained in this Human Resource and Compensation Committee Report shall not be deemed to be soliciting material or to be filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Human Resource and Compensation Committee of the Board of Directors has reviewed and discussed the section of this Proxy Statement entitled Compensation Discussion and Analysis with management. Based on this review and discussion, the Human Resource and Compensation Committee recommended to the Board of Directors that the section entitled Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Human Resource and Compensation Committee

Thomas H. Waring, Jr., Chairman	Phillip Brothman
Mary Catherine Militello	John R. O Brien
Nancy W. Ware	

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis.

Executive Compensation Philosophy. The Human Resource and Compensation Committee (the Committee) has reviewed the various elements of executive compensation during 2009 to ensure that all elements of compensation are aligned with shareholder value and allow the Company to attract and retain superior executive talent while rewarding performance. The Company s compensation program during 2009, discussed in greater detail below, included:

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Cash base salary and contractual protections competitive within the industry, designed to enable the Company to recruit and retain highly-qualified individuals;

Cash bonus incentive plans, directly linking pay to performance and designed to motivate executives to deliver superior results;

Long-term equity incentives designed to align executives interests with those of the Company s shareholders in achieving long-term growth;

A Supplemental Executive Retirement Plan (SERP), designed to assist the Company in retaining talented executives; and

A deferred compensation plan which allows executives to defer pre-tax earnings, particularly when limits under the employee savings (401(k)) plan prohibit executives from saving adequately for retirement.

The decisions made on senior executive compensation, including NEO compensation, are based primarily upon the Committee s assessment of each executive s leadership, operational performance and potential to enhance long-term shareholder value. The Committee considers its subjective assessment of these individuals, and not rigid formulas or short-term changes in business performance, in determining the amount and mix of compensation elements and whether each particular payment or award provides an appropriate incentive and reward for performance that sustains and enhances long-term shareholder value. Key factors affecting the Committee s judgment include the executive s performance compared to the financial, operational, and strategic goals established by the Board of Directors at the beginning of each fiscal year; contribution to the Company s financial results, particularly with respect to key metrics such as asset growth and earnings on capital; and effectiveness in leading our initiatives to increase customer value.

Role of the Human Resource and Compensation Committee and CEO. The Committee is composed of independent directors of the Company. It is responsible for all policies and practices related to executive and employee compensation. As part of this responsibility, the Committee reviews and approves corporate goals and objectives relevant to executive compensation, reviews the performance of each of the senior executive officers, including the executive officers named in the Summary Compensation Table below (the Named Executive Officers or NEOs), and approves compensation actions for them, including all of the policies under which executive compensation is paid or awarded. The Committee, on an annual basis, reviews and approves corporate goals and objectives relevant to NEO compensation, evaluates the CEO s performance in light of those goals and objectives, and as a committee or together with the independent members of the Board determines and approves the CEO s compensation levels based on this evaluation.

The Committee meets at least quarterly. In addition to information provided by the consultant as described below, members of Company management may attend Committee meetings to provide the Committee with information relating to the Company s compensation and benefit plans and programs, recommended changes to those plans and programs, and educational material. In particular, the Bank s President and CEO, Chief Financial Officer, and Senior Vice President of Human Resources may attend Committee meetings to present data and analysis and to formulate recommendations regarding executive (excluding the President and CEO) and employee compensation, benefit plans and promotions. The Senior Vice President of Human Resources provides the Committee with data for its consideration in setting the base salary for the President and CEO. In determining the base salary, annual incentive and long-term incentive components of CEO compensation, the Committee will consider multiple factors including the Company s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. In addition, certain members of the executive management team may attend Committee meetings to provide guidance on reporting requirements and/or for investment / insurance issues. The Committee also spends a portion of each meeting convening in executive session, without the presence of any members of management or other attendees.

Role of Compensation Consultants. During 2009, the Committee engaged Arthur Warren, an executive compensation consultant, to provide data and analysis, best practices, current trends in the industry and education to the Human Resource and Compensation Committee. The consultant, specializing in community

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bank compensation plans, serves as an independent / objective advisor to the Committee and is selected and retained by the Committee. The Committee reviews the analysis provided and requests that the consultant participate in Committee meetings as appropriate. The Senior Vice President of Human Resources works with the consultant to provide data for the consultant to analyze and to ensure the flow of information between the Committee and the consultant remains fluid.

Benchmark Analysis. The base salary compensation of the NEOs and certain other members of the executive management team are compared to a benchmark established using industry compensation surveys. A proxy peer group is selected to reflect banks of similar size and regions to the Bank. Although we compete with the large money center banks located within our market area for executive talent, those banks were excluded from our peer group because compensation levels for executives are typically a reflection of bank asset size. The peer group utilized in setting equity compensation levels for 2009 includes Chemung Financial Corporation, Cortland Bancorp, Croghan Bancshares, Inc., CSB Bancorp, Inc. Dimeco, Inc., Emclaire Financial Corp., Jeffersonville Bancorp, Juniata Valley Financial Corp., Killbuck Bancshares, Inc., LCNB Corp., CNB Financial Corporation, Wilber Corporation, Comm Bancorp, Inc., Penn Woods Bancorp, Inc., Codorus Valley Bancorp, Inc., United Bancshares, Inc., NB&T Financial Group, Inc., Mid Penn Bancorp, Inc., Norwood Financial Corp., Peoples Financial Corporation and Bridge Bancorp, Inc. In addition to the peer group data, the Company compared its base salary to data included in a 2008 salary survey created by Pearl Meyer & Partners, the independent compensation consultant retained by the Committee during 2008, and the 2008 American Bankers Association Salary Survey.

The Committee utilizes the salary surveys as a source of information in determining base salary for Messrs. Nasca, Kajtoch and Glass, and has generally targeted the 50th percentile for base salary. The base salary of Mr. Miller is not compared to benchmark data, but is determined based upon his individual performance as compared to annual goals, including the achievement of corporate strategic and operational objectives. The Committee uses the survey data as a point of reference and comparison only, and not for purposes of establishing or setting a specific level of compensation to be achieved. The survey data includes companies that may not have the complexity of our organization, such as an insurance component and/or leasing component, and we believe it is important to pay for the expertise required to manage our business. Because the roles and responsibilities of executive officers can vary from one institution to another, the Committee also considers each NEO s experience, length of service in his or her position, and individual performance. The Committee has made the decision to pay above the 50th percentile for NEO salary where the Committee believes it is necessary to attract superior executive talent and/or experience in order to support planned growth of the Company. The Committee believes that this is appropriate in light of the expected future roles of the executives in supporting a larger organization as the Company pursues a growth strategy. The Company paid the NEOs (except Mr. Miller) at 111% of the weighted average base salary at the 50th percentile, as reported in the salary surveys utilized by the Committee as described above. See Executive Total Compensation Base Salary below for a discussion of actions taken with respect to the NEOs base salary in 2009.

The Committee also utilized the compensation consultant to provide advice to the Committee related to other elements of compensation and to assess the value of additional compensation provided for our NEOs.

Executive Total Compensation. The key elements of the Company s NEO compensation program and the actions taken with respect to each element for 2009 are:

1. **Base Salary.** The Company s approach to compensation begins with establishing a fair base salary determined by individual factors, such as the employee s role in the organization, scope and complexity of responsibility of the position, the market value of his or her job, the level of an individual s expertise in the role and his or her performance in the position, as well as Company performance factors, such as Company financial performance, including earnings per share and growth in net income. The Committee also considers the level of achievement of corporate strategic and operational objectives established by the Committee as described above under Compensation Discussion and Analysis Role of the Human Resource and Compensation Committee and CEO. During 2009, the Committee

engaged Arthur Warren to review competitive market data as mentioned above under Role of Compensation Consultants. In setting individual NEO salary, the Committee considered market data, including the peer group data and salary surveys discussed above under Benchmark Analysis. The Committee also considers the recommendation of the President and CEO in setting the base salary for Messrs. Kajtoch, Glass and Miller. The Committee sets the base salary for Mr. Nasca after considering the individual and Company performance factors discussed above, as well as the data provided by the Senior Vice President of Human Resources.

During 2009, we renegotiated our employment contracts with our NEOs, as discussed in more detail below under Employment Agreements. In connection with the renegotiation of those contracts, the Committee approved increases to the base salary of each of our NEOs as follows: Mr. Nasca s annual base salary was increased from $230,000 to $242,650, Mr. Kajtoch s annual base salary was increased from $156,750 to $161,400, Mr. Glass annual base salary was increased from $187,300 to $192,900, and Mr. Miller s annual base salary was increased from $213,210 to $219,600. The Committee exercised its discretion to increase the NEOs salary based on its subjective assessment of each individual s performance as described above under Compensation Discussion and Analysis Executive Compensation Philosophy.

2. **Short-Term Cash Incentive Compensation.** The Evans Excels Plan is a short-term incentive compensation plan intended to reward performance of executives and employees of the Bank and ENL, including the NEOs (except Mr. Miller). The plan is designed to motivate employees to attain desired objectives and encourage teamwork and collaboration while aligning compensation with overall Company performance. This plan is a key element of the total compensation benefits provided to our NEOs and allows the Company to remain competitive with the market by providing the opportunity to receive significant cash incentives. The design of the plan is intended to ensure that Company goals are attained before any benefits are paid to executives and employees. For 2009, the Company utilized Company annual net income growth as the measure for determining whether awards would be paid under the Evans Excels Plan. The Committee determined the levels of growth in net income which it believes provides a reasonable balance between shareholder value and appropriate employee motivation and reward. A target, which would pay out 100% of the potential incentive was based upon the targeted growth in net income for 2009. A threshold was set at 1.5% below target, which would provide potential incentive payout at 50% and a stretch goal was set at 1.5% above target which would provide potential incentive payout at 150%. If actual net income growth were below the threshold, no incentive would be paid. The Committee believes that the targets established require strong overall performance. All awards are to be paid out as a percentage of a participant s base salary earned during the relevant performance period, which runs from January 1st to December 31st.

   Individual performance and attainment of assigned goals is considered and all employees are required to meet a certain level of performance to receive payment. Individual performance which meets or exceeds expectations is rewarded with additional incentive eligibility, but only if the Company attains the higher overall performance measure (stretch) targets. The measure utilized for the NEOs was based upon the growth in net income for 2009, which is also the measure utilized to open the plan and allow payout. The payouts are determined pursuant to the following formula: (i) if the minimum net income growth level of 1.5% below target (the threshold) is met, Mr. Nasca would be awarded a cash incentive payment equal to 10% of his 2009 base salary and each of Messrs. Kajtoch and Glass would be awarded a cash incentive payment equal to 7.5% of his 2009 base salary; (ii) if the targeted net income growth level (target) is met, Mr. Nasca would be awarded 20% of his base 2009 salary and each of Messrs. Kajtoch and Glass would be awarded 15% of his 2009 base salary; (iii) if net income growth exceeds the target by 1.5% (stretch), Mr. Nasca would be awarded 30% of his 2009 base salary and each of Messrs. Kajtoch and Glass would be awarded 22.5% of his 2009 base salary; and (iv) if the minimum net income growth (threshold) is not met, no awards would be payable pursuant to the plan. The Board of Directors may, at its discretion, grant awards notwithstanding performance below threshold. The Board has not to date exercised this discretion to approve any awards under the plan.

In 2009, the performance accomplished was below threshold and therefore, the Company did not pay

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out any incentive awards under the Evans Excels Plan.

Until January 2010, Mr. Miller was not an employee of the Bank or ENL, and therefore, has not historically been eligible to participate in the Evans Excels Plan. Mr. Miller is eligible to receive a cash bonus in an amount and subject to the achievement of objectives established from time to time by the Company s Board of Directors. For 2009, the Board determined that Mr. Miller would receive a bonus calculated based on the annual bonus formula set forth in his employment contract as in effect for most of 2009, as follows: Mr. Miller s bonus was determined on the basis of EBITA (annual TEA net income before accrued bonus, as well as interest, amortization, and income taxes). The bonus is equal to 20% of the increase in EBITA over prior year EBITA plus an additional 30% of an increase over the amount of TEA s approved budgeted EBITA, with a maximum annual bonus of $100,000. Mr. Miller earned $24,197 as a bonus, which was due to 20% of TEA s annual EBITA in excess of the prior year. There was no additional bonus earned, as TEA s performance did not meet the required budgeted income levels. As discussed below under Employment Agreements, we entered into a new employment contract with Mr. Miller in October 2009. Under his new contract, Mr. Miller is entitled to receive certain residual commissions, described below, and a cash bonus in an amount and subject to the achievement of such goals and objectives as the Board may determine from time to time. Mr. Miller will participate in the Evans Excels Plan for 2010.

3. **Equity Incentives.** While the Evans Excels Plan focuses on the achievement of short-term performance, the 2009 Long-Term Equity Incentive Plan, approved by shareholders in April 2009, is designed to provide key employees with a reward opportunity that aligns the interests of the participants with those of the Company s shareholders by focusing on our Company s performance over a longer period of time. Under the Plan, the Committee grants awards of stock options, under which executives recognize value commensurate with increases in long-term shareholder value, restricted stock, which provides immediate value to the NEO but places him or her at risk for actual losses in the event that shareholder value decreases, or both. Both stock options and restricted stock link an NEO s compensation to long-term Company performance. Both types of equity awards also have a retentive effect because they vest over a period of time, typically three years. Vesting may be accelerated under certain circumstances, such as the executive s death, disability or retirement, or if an executive s employment is terminated in connection with a change in control of our Company. The Committee believes that the Evans Excels short-term incentive plan and the equity-based long-term incentive plan together create a balance between short-term and long-term performance goals.

Equity awards are typically granted on an annual basis, but may under certain circumstances be granted at other times during the year, for example, in connection with a new hire. The Committee considered the advice and recommendation of our compensation consultant, Arthur Warren, in determining the mix of stock options and restricted shares, as well as the level of awards as compared to the industry and peer group. The Committee has expressed a desire to increase the level of equity held by our NEOs and supports the use of equity incentives as part of the NEOs overall compensation, as evidenced by the increased equity grants to our NEOs during fiscal 2009 as compared to fiscal 2008.

During 2009, the Committee approved the following equity awards (for more detail on these awards, see the Summary Compensation Table and Grants of Plan-Based Awards table below):

Stock Options during 2009, a total of 89,789 options were granted to 15 employees, of which a total of 57,720 options were granted to NEOs.

Restricted Shares during 2009, a total of 10,210 restricted shares were granted to 15 employees, of which a total of 6,560 restricted shares were granted to NEOs.

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4. **Executive Deferred Salary Plan.** Under the Company s Deferred Compensation Plan, participating NEOs are able to defer, at their election, up to 100% of their base salary. This deferred salary amount accrues interest at the rate of prime plus 1%, based upon prime as stated in the Wall Street Journal as of January 1st each year (4.25% for 2009). The plan is designed to provide a vehicle for executives, including NEOs, to defer their base salary on a pre-tax basis in order to achieve their personal retirement goals. The Company does not contribute to this plan.

5. **Supplemental Executive Retirement Plan (the SERP).** Messrs. Glass and Miller are participants in the Bank s SERP, which increases their retirement benefits above amounts available under the Company s tax-qualified and other pension programs. Because executives are generally not eligible for benefits under the SERP if they leave the Company before reaching age 60, we believe that the SERP is one of the Company s most effective retention tools. The SERP is unfunded and is considered a non-qualified plan for tax purposes. An executive s annual benefit, when combined with amounts payable under the Company s tax-qualified and other pension programs and Social Security, will equal 70% of the executive s average of the highest five consecutive years salary. During 2009, the Company amended the SERP benefit provided for Mr. Glass as part of an overall review of executive compensation, benefits and employment contracts. Mr. Glass SERP benefit was amended to change the benefit payout from 15 to 20 years, and to change the definition of compensation from total W-2 compensation to base salary plus bonus. In addition, the benefit Mr. Glass is eligible to receive under the SERP was frozen at the level Mr. Glass will attain at age 65. The Committee made the decision to amend the SERP for Mr. Glass to replace a prior benefit which had been eliminated. Under his original SERP benefit, Mr. Glass was eligible to receive a 20-year payout. The SERP benefit was reduced to 15 years when the Company provided a post-retirement life insurance benefit for Mr. Glass through the Executive Split Dollar Life Insurance Plan. The Executive Split Dollar Life Insurance Plan was amended in 2007 and the post-retirement benefit to Mr. Glass was eliminated. The Committee amended the SERP, as it applies to Mr. Glass, in 2009 to reinstate the 20-year payout provision for him. The Committee has approved a similar change to the definition of compensation in Mr. Miller s SERP, which we expect to become effective in 2010. The Committee worked with Arthur Warren throughout 2009 to design a SERP benefit for future executives which is contemporary and competitive. Plan designs for NEOs not currently covered by a SERP were considered during 2009; however, no action to adopt a plan was taken in 2009.

6. **Perquisites.** The Company provides its NEOs with perquisites that it believes are reasonable, competitive and consistent with its overall executive compensation program. The Company believes that its perquisites allow senior executive officers to operate more effectively. These perquisites, the aggregate cost of which is disclosed in the Summary Compensation Table below, generally include an auto allowance, club memberships and long-term disability insurance.

Employment Agreements. The Company believes the use of clear and concise employment contracts is an effective tool to attract and retain senior executives, as well as to protect proprietary information and customer relationships. Employment agreements with our NEOs were amended during 2009 as part of an overall review of compensation and benefits. The Committee approved a change from five-year employment contracts to three-year contracts because it believes that when all of the compensation elements are considered, including the cash incentives and awards under the 2009 Long-Term Equity Incentive Plan, which provide a competitive level of benefits, a shorter term employment contract is better aligned with shareholder interests. When the Company recruited Messrs. Nasca and Kajtoch in 2006 and 2007, respectively, the Committee believed that five-year employment contracts were appropriate because the Company did not provide competitive benefits through short-term and long-term incentive plans. With the addition of the Evans Excels Plan and the 2009 Long-Term Equity Incentive Plan, the Committee believes that it is now appropriate to move the executives from a five-year employment contract to a three-year employment contract. The employment contracts for Messrs. Nasca, Kajtoch and Miller were amended from a five-year term with annual renewal to a three-year term with daily renewal. The employment contract for Mr. Glass moved from a five-year contract with an evergreen clause to a fixed three-year contract. The material terms of our employment contracts with our NEOs, as amended in 2009, are set forth below under Employment Agreements with our NEOs.

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Post-Termination Compensation. As mentioned above, the Company has entered into employment contracts with its NEOs which provide for certain severance payments, described below under Potential Payments Upon Termination or Change in Control, if the executive s employment terminates under circumstances described in their employment contracts. In addition, if there is a change in control of the Company, the NEOs may be entitled to full acceleration of their equity-based compensation, as described under Equity Incentives. The Committee believes that these arrangements are important as a recruitment and retention device, as most of the companies with which we compete for executive talent have similar arrangements in place for their executives. These arrangements may help incentivize NEOs to remain with the Company and to assist in any potential change in control transaction. The Committee attempts to balance protection of its executives upon a change in control with protection of the Company s interests by making accelerated vesting available upon a change in control only if the NEOs are involuntarily terminated in connection with the change in control (a so-called double-trigger). Additionally, the Committee links severance payments to agreements by the NEOs not to compete with the Company, solicit the Company s employees or customers, or disclose confidential information.

Tax and Accounting Considerations. Section 162(m) of the Internal Revenue Code generally denies publicly-held corporations a federal income tax deduction for compensation exceeding $1,000,000 paid to the chief executive officer or any of the four other highest paid executive officers (other than the chief financial officer), excluding performance-based compensation. Through December 31, 2009, this provision has not limited the Company s ability to deduct executive compensation. The Committee will continue to monitor the potential impact of Section 162(m) on the Company s ability to deduct executive compensation, and in particular, will review the effect of recent Internal Revenue Service rulings related to performance-based compensation in change-in-control situations. The 2009 Long-Term Equity Incentive Plan have been designed, and are intended to be administered, in a manner that will enable the Company to deduct compensation attributable to options and certain other awards thereunder, without regard to the deduction limitation established by Section 162(m).

Section 409A of the Internal Revenue Code generally changes the tax rules that affect most forms of deferred compensation that were not earned and vested prior to 2005, and imposes an additional tax on certain forms of deferred compensation. The Committee takes Section 409A into account in determining the form and timing of compensation paid to the Company s executives, and Section 409A is generally not applicable to the compensation provided by the Company.

The Company values stock option and restricted stock grants under FASB ASC Topic 718. More information regarding the application of SFAS No. 123(R) by the Company may be found in Note 13 to the Company s audited financial statements filed with the SEC in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Summary Compensation Table. The following table sets forth the compensation of the Company s Named Executive Officers for the fiscal years ended December 31, 2009, 2008 and 2007. The NEOs are the Company s Principal Executive Officer, Principal Financial Officer and the other executive officers serving during the fiscal year ended December 31, 2009.

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Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (3) (4)	All other Compensation ($)(5)	Total ($)
David Nasca	2009	242,650		35,723	36,255			26,329	340,957
President and CEO	2008	227,692			10,600			27,370	265,662
of the Company									
and	2007	200,000	12,000	49,425				17,314	278,739
the Bank (principal									
executive officer)									
Gary Kajtoch	2009	161,400		18,056	18,360			17,248	215,064
Treasurer of the	2008	156,231			6,360			14,962	177,553
Company and	2007	134,423	22,000					5,146	161,569
Executive Vice									
President and CFO									
of the Bank									
(principal financial									
officer)									
William Glass	2009	192,900		14,679	14,955		200,001	27,468	450,003
Secretary of the	2008	186,740			6,360		208,620	29,548	431,268
Company, CEO of									
ENL	2007	179,024	10,000				79,049	20,741	288,814
and Executive Vice									
President of the									
Bank									
Robert Miller, Jr.	2009	219,600		16,757	17,010	24,197	155,890	23,755	457,208
President of TEA	2008	213,584			6,360		44,582	38,013	302,539
and Executive Vice	2007	213,907					41,235	31,724	286,866
President of the									
Bank									

(1) Reflects the fair value of the awards at grant date, in accordance with FASB ASC Topic 718 for

financial statement reporting purposes. The amount shown excludes the impact of estimated forfeitures related to service-based vesting conditions. For additional information as to the assumptions made in valuation, see Note 13 to the financial statements filed with the SEC in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009. Amounts shown in the table are based on the Company s accounting expense for these awards, and do not necessarily correspond to the actual value that may be recognized by the NEOs. See the Grants of Plan-Based Awards table below for information on awards of restricted stock and options granted in fiscal 2009.

(2) The Company did not make any payments under its Evans Excels Plan, which is described above under Compensation Discussion and Analysis -Executive Total Compensation, because Threshold Growth in Net Income targets were not attained for 2009. Mr. Miller received an incentive bonus for 2009 in accordance with the terms of his employment contract, as discussed above under Compensation Discussion and Analysis Executive Total Compensation.

(3) With respect to Mr. Glass, includes (a) the aggregate change in the accumulated benefits under the Bank s Defined Benefit Pension Plan and SERP of

$191,941 in 2009 and (b) $8,060, which is the amount credited to Mr. Glass account under the Company s [executive deferred salary plan] at interest rates greater than 120% of the applicable Federal long-term rate on compensation deferred for Mr. Glass.

(4) With respect to Mr. Miller, includes (a) the aggregate change in the accumulated benefits under the Bank s Defined Benefit Pension Plan and SERP of $154,649 in 2009 and (b) $1,241, which is the amount credited to Mr. Miller s account under the Company s [executive deferred salary plan] at interest rates greater than 120% of the applicable Federal long-term rate on compensation deferred for

Mr. Miller.

(5) Includes 401(k) matching contributions of $9,612, $9,626, $11,505, and $13,196 for Messrs. Nasca, Kajtoch, Glass and Miller, respectively, and the economic benefit from an endorsement split-dollar life insurance policy held by the Bank, which did not exceed $10,000 for any individual NEO. Other includes perquisites and personal benefits, which for Messrs. Nasca, Glass and Miller, included an auto allowance, country club dues and supplemental long-term disability insurance, and for Mr. Kajtoch, included country club dues and supplemental long-term disability insurance.

Grants of Plan-Based Awards. The following table reflects the terms of the compensation plan-based awards granted to Named Executive Officers in 2009.

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Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price Of Option Awards ($/Share) (2)	Grant Date Fair Value of Stock and Option Awards ($) (3)
		Threshold ($)	Target ($)	Maximum ($)				
David Nasca	8/18/2009	24,265	48,530	72,795	2,750	24,170	12.99	71,978
Gary Kajtoch	8/18/2009	12,105	24,210	36,315	1,390	12,240	12.99	36,416
William Glass	8/18/2009	14,467	28,935	43,402	1,130	9,970	12.99	29,634
Robert Miller, Jr.	8/18/2009		60,531	100,000	1,290	11,340	12.99	33,767

(1) The amounts included in these columns represent estimated possible payouts at the time the awards were granted in 2009. As discussed above under Compensation Discussion and Analysis Executive Total Compensation, no awards were payable to NEOs under the Evans Excels Plan for 2009 because net

income growth targets were not attained. Mr. Miller received an incentive bonus for 2009 in accordance with the terms of his employment contract, as discussed above under Compensation Discussion and Analysis Executive Total Compensation.

(2) Reflects the exercise price for the options granted, which was the closing market price for the Company s common stock on that date.

(3) Reflects full grant date fair value in accordance with FASB ASC Topic 718 of the options granted. For additional information as to the assumptions made in valuation, see Note 13 to the financial statements filed with the SEC in the Company s Annual Report on Form 10-K for the fiscal year

ended
December 31,
2009.

The option and restricted stock awards in 2009 were granted under the Company s 2009 Long-Term Equity Incentive Plan. 25% of the options and restricted stock granted will vest each year on the anniversary of the grant date. They will be fully vested August 18, 2013. Vesting ceases if the executive s employment is terminated for any reason (including by reason of death or disability). Dividends are paid on unvested stock awards.

Employment Agreements with our NEOs

We have entered into employment contracts with our NEOs. The material terms of those employment contracts are as follows:

David J. Nasca Employment Agreement, by and among Mr. Nasca, the Company and the Bank, pursuant to which Mr. Nasca serves as the President and Chief Executive Officer of the Company and the Bank. Subject to prior termination, the term of Mr. Nasca s employment is for a three year term, which is renewed daily until his 62nd birthday (October 27, 2019), at which time the contract will have a remaining and declining three year term. Automatic daily renewal will cease if the Bank gives Mr. Nasca written notice of non-renewal, in which case Mr. Nasca s employment will end 36 months after the date of the non-renewal notice, unless the parties agree to a shorter period. Mr. Nasca s employment agreement provides for an initial base salary of $242,650, which is adjusted annually by the Board of Directors of Evans Bank, N.A., provided, however, that Mr. Nasca s annual salary may not be decreased below $242,650. Mr. Nasca is entitled to participate in all Company and Bank cash and equity incentive programs made available to senior executives, as well as all employee benefit plans, programs, and arrangements for which he qualifies. He is entitled to four weeks paid vacation each year, plus five personal days and customary bank holidays. The Bank provides Mr. Nasca with a monthly automobile allowance of $700 and reimburses him for reasonable country club dues and certain other expenses he incurs in the performance of his duties under the agreement.

In the event Mr. Nasca s employment is terminated:

by the Company or the Bank without cause or by Mr. Nasca for good reason, or under certain circumstances within one year following a change in control of the Company, he will be paid three times the sum of the highest base salary paid to him at any time under the employment agreement plus the

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average annual incentive bonus paid to Mr. Nasca in the three years prior to termination. The Company will also continue to provide amounts or benefits payable under applicable benefit plans for 36 months; because of death, his estate will be paid a lump sum amount equal to two times Mr. Nasca s then annual base salary, as well as any amounts or benefits payable under applicable benefit plans, but subject to offset for any payment due Mr. Nasca under any life insurance plan maintained by the Company or the Bank;

because of disability, (i) Mr. Nasca will be entitled to participate in the short- and long-term disability plans and benefits offered by the Bank to senior executives, including long-term disability income replacement benefits and supplemental retirement benefits under a long-term disability program; and (ii) the Bank will continue to provide Mr. Nasca with certain life and medical insurance benefits under the same cost-sharing arrangement as in effect for active employees until Mr. Nasca s (A) full-time employment by another employer, (B) attaining age 65, or (C) death;

by the Company or the Bank for cause or by Mr. Nasca other than for good reason, Mr. Nasca will not be entitled to payment of any amounts or benefits, other than that portion of his annual salary accrued through the date of termination and any accrued and unpaid vacation.

The Company s or the Bank s obligation to make such payments to Mr. Nasca are conditioned upon Mr. Nasca s compliance with his obligations of confidentiality, non-competition and non-solicitation set forth in his employment agreement.

Gary A. Kajtoch Employment Agreement, by and among Mr. Kajtoch, the Company and the Bank, pursuant to which Mr. Kajtoch serves as the Chief Financial Officer and Executive Vice President of the Bank. Subject to prior termination, the term of Mr. Kajtoch s employment is for a three year term, which is renewed daily until his 62nd birthday (October 3, 2028), at which time the contract will have a remaining and declining three year term. Automatic daily renewal will cease if the Bank gives Mr. Kajtoch written notice of non-renewal, in which case Mr. Kajtoch s employment will end 36 months after the date of the non-renewal notice, unless the parties agree to a shorter period. Mr. Kajtoch s employment agreement provides for an initial base salary of $161,400, which is adjusted annually by the Board of Directors of Evans Bank, N.A., provided, however, that Mr. Kajtoch s annual salary may not be decreased below $161,400. Mr. Kajtoch is entitled to participate in all Company and Bank cash and equity incentive programs made available to senior executives, as well as all employee benefit plans, programs, and arrangements for which he qualifies. He is entitled to four weeks paid vacation each year, plus five personal days and customary bank holidays. The Bank reimburses Mr. Kajtoch for reasonable country club dues and certain other expenses he incurs in the performance of his duties under the agreement.

In the event Mr. Kajtoch s employment is terminated:

by the Company or the Bank without cause or by Mr. Kajtoch for good reason, or under certain circumstances within one year following a change in control of the Company, he will be paid three times the sum of the highest base salary paid to him at any time under the employment agreement plus the average annual incentive bonus paid to Mr. Kajtoch in the three years prior to termination. The Company will also continue to provide amounts or benefits payable under applicable benefit plans for 36 months;

because of death, his estate will be paid a lump sum amount equal to two times Mr. Kajtoch s then annual base salary, as well as any amounts or benefits payable under applicable benefit plans, but subject to offset for any payments due Mr. Kajtoch under any life insurance plan maintained by the Company or the Bank;

because of disability, (i) Mr. Kajtoch will be entitled to participate in the short- and long-term disability plans and benefits offered by the Bank to senior executives, including long-term disability income replacement benefits and supplemental retirement benefits under a long-term disability program; and (ii) the Bank will continue to provide Mr. Kajtoch with certain life and medical insurance benefits under the

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same cost-sharing arrangement as in effect for active employees until Mr. Kajtoch s (A) full-time employment by another employer, (B) attaining age 65, or (C) death;

by the Company or the Bank for cause or by Mr. Kajtoch other than for good reason, Mr. Kajtoch will not be entitled to payment of any amounts or benefits, other than that portion of his annual salary accrued through the date of termination and any accrued and unpaid vacation.

The Company s or the Bank s obligation to make such payments to Mr. Kajtoch are conditioned upon Mr. Kajtoch s compliance with his obligations of confidentiality, non-competition and non-solicitation set forth in his employment agreement.

William R. Glass Employment Agreement, by and among Mr. Glass, the Company and the Bank, pursuant to which Mr. Glass serves as the Executive Vice President of the Bank. Subject to prior termination, the term of Mr. Glass s employment is for 39 months. Mr. Glass s employment agreement provides for an initial base salary of $192,900, which is adjusted annually by the Board of Directors of Evans Bank, N.A., provided, however, that Mr. Glass s annual salary may not be decreased below $192,900. Mr. Glass is entitled to participate in all Company and Bank cash and equity incentive programs made available to senior executives, as well as all employee benefit plans, programs, and arrangements for which he qualifies. He is entitled to four weeks paid vacation each year, plus five personal days and customary bank holidays. The Bank provides Mr. Glass with a monthly automobile allowance of $700 and reimburses him for reasonable country club dues and certain other expenses he incurs in the performance of his duties under the agreement.

In the event Mr. Glass employment is terminated:

by the Company or the Bank without cause or by Mr. Glass for good reason, or under certain circumstances within one year following a change in control of the Company, he will be paid three times the sum of the highest base salary paid to him at any time under the employment agreement plus the average annual incentive bonus paid to Mr. Glass in the three years prior to termination. The Company will also continue to provide amounts or benefits payable under applicable benefit plans for 36 months;

because of death, his estate will be paid a lump sum amount equal to two times Mr. Glass s then annual base salary, as well as any amounts or benefits payable under applicable benefit plans, but subject to offset for any payments due Mr. Glass under any life insurance plan maintained by the Company or the Bank;

because of disability, (i) Mr. Glass will be entitled to participate in the short- and long-term disability plans and benefits offered by the Bank to senior executives, including long-term disability income replacement benefits and supplemental retirement benefits under a long-term disability program; and (ii) the Bank will continue to provide Mr. Glass with certain life and medical insurance benefits under the same cost-sharing arrangement as in effect for active employees until Mr. Glass (A) full-time employment by another employer, (B) attaining age 65, or (C) death;

by the Company or the Bank for cause or by Mr. Glass other than for good reason, Mr. Glass will not be entitled to payment of any amounts or benefits, other than that portion of his annual salary accrued through the date of termination and any accrued and unpaid vacation.

The Company s or the Bank s obligation to make such payments to Mr. Glass are conditioned upon Mr. Glass compliance with his obligations of confidentiality, non-competition and non-solicitation set forth in his employment agreement.

Robert G. Miller Employment Agreement, by and between Mr. Miller and TEA, pursuant to which Mr. Miller serves as the President of TEA and the Executive Vice President of the Bank. Subject to prior termination, the term of Mr. Miller s employment is for a three year term, which is renewed daily until his 62nd birthday (May 11, 2018), at which time the contract will have a remaining and declining three year term. Automatic daily renewal will cease if the Bank gives Mr. Miller written notice of non-renewal, in which case

Mr. Miller s employment will end 36 months after the date of the non-renewal notice, unless the parties agree to a shorter period. Mr. Miller s employment agreement provides for an initial base salary of $219,600, which is adjusted annually by the Board of Directors of Evans Bank, N.A., provided, however, that Mr. Miller s annual salary may not be decreased below $219,600. Mr. Miller is entitled to participate in such equity programs as the Company and the Bank make available to senior executives from time-to-time. Additionally, the Company has agreed to use commercially reasonable efforts to maintain a long-term health care insurance policy covering Mr. Miller and his spouse in lieu of family health insurance provided to the Company employees generally, as long as the cost of such a policy does not exceed the cost of the family health insurance coverage generally provided to Company employees. Mr. Miller will also be eligible to receive the employee portion of residual commissions earned on certain products sold through M&W Group, Inc. prior to September 1, 2000, and will be eligible to receive an annual bonus in an amount and subject to achievement of such goals and objectives as the Board of Directors may determine in its discretion. TEA provides Mr. Miller with a company-owned vehicle and reimburses him for reasonable country club dues and certain other expenses he incurs in the performance of his duties under the agreement.

In the event Mr. Miller s employment is terminated:

by the Company or TEA without cause or by Mr. Miller for good reason, or under certain circumstances within one year following a change in control of the Company, he will be paid three times the sum of the highest base salary paid to him at any time under the employment agreement plus the average annual incentive bonus paid to Mr. Miller in the three years prior to termination. The Company will also continue to provide amounts or benefits payable under applicable benefit plans for 36 months;

because of death, his estate will be paid a lump sum amount equal to two times Mr. Miller s then annual base salary, as well as any amounts or benefits payable under applicable benefit plans, but subject to offset for any payment due Mr. Miller under any life insurance plan maintained by the Company or TEA;

because of disability, (i) Mr. Miller will be entitled to participate in the short- and long-term disability plans and benefits offered by TEA to senior executives, including long-term disability income replacement benefits and supplemental retirement benefits under a long-term disability program; and (ii) TEA will continue to provide Mr. Miller with certain life and medical insurance benefits under the same cost-sharing arrangement as in effect for active employees until Mr. Miller s (A) full-time employment by another employer, (B) attaining age 65, or (C) death;

by the Company or TEA for cause or by Mr. Miller other than for good reason, Mr. Miller will not be entitled to payment of any amounts or benefits, other than that portion of his annual salary accrued through the date of termination and any accrued and unpaid vacation.

The Company s or TEA s obligation to make such payments to Mr. Miller are conditioned upon Mr. Miller s compliance with his obligations of confidentiality, non-competition and non-solicitation set forth in his employment agreement.

Potential Payments Upon Termination or Change-in-Control. The following table shows the potential incremental value transfer to each NEO under various termination or change-in-control scenarios as of December 31, 2009, the last business day of fiscal 2009, and that all unvested, unexercised stock options and unvested restricted stock awards are valued at the closing market price of the Company s common stock on that date. The actual amounts to be paid out can only be determined at the time of such NEO s separation from the Company.

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Event	David Nasca	Gary Kajtoch	William Glass	Robert Miller
Retirement or Voluntary Termination Without Good Reason (1)			$1,029,943	$ 473,290
Termination for Cause (1)			$1,029,943	$ 473,290
Termination Without Cause or for Good Reason	$791,564(2)	$515,492(2)	$1,637,797(3)	$1,183,911(3)
Change in Control Termination (2)	$791,564	$515,492	$1,637,797	$1,183,911
Death	$516,485(4)	$338,562(4)	$1,428,557(5)	$ 927,118(5)

(1) Reflects (a) SERP lump sum payout and (b) Defined Benefit Pension Plan lump sum payout.

(2) Reflects (a) lump sum employment contract payout, (b) estimated value of healthcare benefits for 36 months, and (c) fair value of stock awards that provide for accelerated vesting upon termination for the stated reason. Payment may be postponed for a six month period to avoid application of Section 409A of the Internal Revenue Code.

(3)

Reflects (a) SERP lump sum payout, (b) Defined Benefit Pension Plan lump sum payout, (c) employment contract lump sum payout, (d) estimated value of healthcare benefits for 36 months, and (e) fair value of stock awards that provide for accelerated vesting upon termination for the stated reason. Payment may be postponed for a six month period to avoid application of Section 409A of the Internal Revenue Code.

(4) Reflects (a) benefit payment of executive life insurance and (b) fair value of stock awards that provide for accelerated vesting upon termination for the stated reason.

(5) Reflects (a) SERP lump sum payout, (b) Defined Benefit Pension

Plan lump sum payout, (c) benefit payment of executive life insurance, and (d) fair value of stock awards that provide for accelerated vesting upon termination for the stated reason.

Disability benefits can vary based on length of a specific occurrence. Benefits related to a disability for the NEOs are detailed above under Employment Agreements. All post-termination payments are linked to two-year confidentiality, non-competition and non-solicitation obligations contained in the NEOs employment contracts. The events that constitute cause, good reason, disability and change in control are described in the employment contract with each NEO. Accelerated vesting of stock options and restricted stock awards assumes the awards are not converted into comparable awards with respect to voting securities of the surviving or acquiring entity in accordance with the terms of the 2009 Long-Term Equity Incentive Plan.

Outstanding Equity Awards at Fiscal Year-End. The following table provides information about unexercised stock options and unvested restricted stock for the Named Executive Officers as of December 31, 2009:

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	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)
David Nasca		24,170	12.99	08/18/2019	2,750	31,185
	1,250	3,750	15.35	06/17/2018		
Gary Kajtoch		12,240	12.99	08/18/2019	1,390	15,763
	750	2,250	15.35	06/17/2018		
William Glass		9,970	12.99	08/18/2019	1,130	12,814
	750	2,250	15.35	06/17/2018		
	1,389	926	19.25	04/18/2013		
	2,205		21.77	09/27/2014		
		2,000	22.00	09/20/2015		
Robert Miller, Jr.		11,340	12.99	08/18/2019	1,290	14,629
	750	2,250	15.35	06/17/2018		
	1,389	926	19.25	04/18/2013		
	2,205		21.77	09/27/2014		
		2,000	22.00	09/20/2015		

(1) The unexercisable options and shares with the following expiration dates will vest as indicated below:

Expiration Date	Vesting Schedule
04/18/2013	25% will vest on August 19, 2010, 25% on August 19, 2011 and 50% on August 19, 2012
09/20/2015	100% will vest on September 20, 2010
06/17/2018	33% will vest on June 17, 2010, 33% on June 17, 2011 and 33% on June 17, 2012
08/18/2019	25% will vest on August 18, 2010, 25% on August 18, 2011, 25% on August 18, 2012, and 25% on August 18, 2013

Pension Benefits. The following table sets forth the present value of the accumulated pension benefits for the Named Executive Officers as of fiscal year-end 2009 (1):

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
William R. Glass	SERP Plan	16	778,012	
	Defined Benefit Plan	16	251,931	
Robert G. Miller, Jr.	SERP Plan	9	397,273	
	Defined Benefit Plan	9	76,017	

(1) The assumptions used to calculate the present value of accumulated benefits are set forth in Note 12 to the Consolidated Financial Statements of the Company in its Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

The following describes the material factors necessary to understand the pension benefits that are provided to the Named Executive Officers under the Bank s defined benefit pension and supplemental executive retirement plans.

Defined Benefit Pension Plan. The Bank maintains a defined benefit pension plan (the Pension Plan) for all eligible employees, including employees of its subsidiaries. Messrs. Glass and Miller are participants in the Pension Plan. Upon retirement at age 65, vested participants are entitled to receive a monthly benefit. The following table indicates the annual retirement benefit that would be payable under the Pension Plan, pursuant to the amended benefit formula discussed below, upon retirement at age 65 in fiscal year 2009, expressed in the form of a single life annuity for the average annual earnings and years of credited service. The benefits listed below are not subject to deduction for Social Security or other offset amounts.

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Final Average Compensation	Years of Service at Normal Retirement 10	20	30	40
$30,000	$ 3,000	$ 6,000	$ 9,000	$ 9,000
$50,000	$ 5,000	$10,000	$15,000	$15,000
$100,000	$10,000	$20,000	$30,000	$30,000
$150,000	$15,000	$30,000	$45,000	$45,000
$220,000	$22,000	$44,000	$66,000	$66,000

Pension Benefit Formula: 1% of compensation times years of service (max 30).

Prior to an amendment to the Pension Plan, effective May 1, 1994, the monthly benefit under the Pension Plan was 3% of average monthly compensation multiplied by years of service up to a maximum of 15 years of service. In 1994, the Pension Plan was amended to change the benefit to 1% of average monthly compensation (as defined under the Pension Plan, generally the highest five consecutive compensation years out of the latest ten compensation years at retirement) multiplied by years of service up to a maximum of 30 years of service.

During 2008, management considered industry trends, regional competition, as well as the new regulatory requirements involved in maintaining both a defined benefit pension plan and a 401(k) defined contribution plan. Based upon the analysis, the Bank made significant changes to the Pension Plan in order to remain competitive within the industry.

As a result of this review, effective January 31, 2008, the Pension Plan was frozen. All participants vested immediately in the Pension Plan at their then-present number of years of service, regardless of whether an employee had attained greater than five years of service on January 31, 2008. All benefits that eligible participants accrued in the Pension Plan prior to January 31, 2008 will be retained, but no additional benefits have accrued under the Pension Plan since that date. Employees will be eligible to receive accrued benefits at normal retirement age.

Compensation for purposes of the Pension Plan generally means the compensation reported for a participant on Form W-2 as gross pay. In calculating a participant s benefit, annual compensation in excess of a limit set annually by the Secretary of the Treasury of the United States may not be considered. That limit (the IRS Compensation Limit) was $230,000 for 2008. In addition, benefits provided under the Pension Plan may not exceed a benefit limit under the Internal Revenue Code (which was $185,000 payable as a single life annuity beginning at normal retirement age in 2008). The Social Security Wage Base is the maximum amount of annual earnings or wages that is subject to the old age, survivors and disability insurance taxes that is in effect under the Social Security Act at the beginning of the plan year.

A participant is eligible for early retirement under the Pension Plan if the participant retires before normal retirement age but after attaining age 59 and completing 5 years of service. An early retirement benefit is reduced 1/15th per year for each year that the benefit commences prior to normal retirement age. At December 31, 2009, Mr. Glass had attained eligibility for early retirement under the Pension Plan. Mr. Miller was not eligible for early retirement. Messrs. Nasca and Kajtoch are not participants in the Pension Plan.

Benefits under the Pension Plan are paid over the lifetime of the participant or the lifetimes of the participant and a beneficiary, as elected by the participant. If the participant is married on the date payments are to begin under the Pension Plan, payment will be in the form of a joint and 50% survivor annuity with the spouse as beneficiary, unless the participant elects another form of payment with the consent of the spouse. If benefits are paid in a form in which a benefit is to be paid to a beneficiary after the death of the participant, benefits are reduced from the amount payable as a lifetime benefit solely to the participant in accordance with the actuarial factors that apply to all participants in the Pension Plan. The Pension Plan generally does not make distributions in the form of a one-time lump sum payment. A participant s benefit is payable as an annuity with monthly benefit payments, unless the present value of the normal retirement benefit is less than $5,000.

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Benefits under the Pension Plan are funded by an irrevocable, tax-exempt trust. The Pension Plan benefits of all participants, including those benefits of NEOs, are payable from the assets held by the tax-exempt trust.

Supplemental Executive Retirement Plans. The Bank maintains a SERP in which each of Messrs. Glass and Miller is a participant. Messrs. Nasca and Kajtoch do not have any credited service time in the SERP as of December 31, 2009. Under the SERP, each of Messrs. Glass and Miller is entitled to an annual benefit payment equal to 70% of his final average earnings, currently defined as the highest average of five consecutive years out of the last ten worked, reduced by 50% of his annual Social Security benefit, the amount of his annual benefit under the Pension Plan, and the value of his annual benefit attributable to employer matching contributions to the Bank s 401(k) plan, at or after attaining age 65. There are provisions for reduced early retirement benefits after attaining age 60 but prior to age 65, provided, however, that such benefits are reduced by 2% for each point by which the participant s age and years of service are less than 75. Benefits are also payable upon separation from service after a change in control, regardless of the participant s age. Upon a participant s entitlement to a benefit under the SERP, his benefit shall be paid in the form of either (i) a single life annuity with 15 payments guaranteed for Mr. Miller and 20 payments guaranteed for Mr. Glass, or (ii) a lump sum payment which is actuarially equivalent to the annuity form of payment described in clause (i). The SERP also allows for payment of such benefit to a designated beneficiary upon the death of the employee and for earlier payment due to disability.

Executive Life Insurance Plan. The Company provides an endorsement split-dollar benefit to certain officers and directors in connection with bank-owned life insurance maintained by the Bank. This benefit does not carry into retirement. The benefit for all non-employee directors is in the amount of $200,000. The amount of the benefit for Named Executive Officers is two times base salary. For 2009, the amount of the benefits for each of Messrs. Nasca, Kajtoch, Glass and Miller is $485,300, $322,800, $385,800, and $439,200, respectively.

Employee Savings Plan. The Bank also maintains a 401(k) salary deferral plan to assist employees, including employees of its subsidiaries, in saving for retirement. All employees are eligible to participate on the first of the month following date of hire. Eligible employees can contribute up to the maximum amount allowable under the Internal Revenue Code.

For 2009, employees with at least one year of service received a 100% match from the Company on contributions up to 4% of base salary and a 50% match on contributions greater than 4% of base salary, up to 8% of salary. Employees vest in employer contributions over six years. With respect to matching contributions credited to the accounts of NEOs, those amounts are included in the Summary Compensation Table, above, under All Other Compensation. Individual account earnings will depend on the performance of the particular funds in which the participant invests. Specific guidelines govern adjustments to contribution levels, investment decisions and withdrawals from the plan. The benefit is paid as an annuity unless the employee elects one of the optional forms of payment available under the plan.

Non-Qualified Deferred Compensation. The following table sets forth information for the Non-Qualified Deferred Compensation Plan for fiscal 2009:

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 R. Glass	28,867		8,060		212,137
Robert G. Miller, Jr.	4,399		1,241		32,631

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All executive and registrant contributions were reported as compensation for fiscal 2009 in the Summary Compensation Table, above, and amounts reported in the Aggregate Balance at Last Fiscal Year End column of this table were reported as compensation to the appropriate NEOs in the Company s Summary Compensation Table for previous fiscal years.

The Company s Non-Qualified Deferred Compensation Plan allows NEOs to elect to defer 1% to 100% of their base salary until retirement or termination of service. The Company credits such deferrals with interest equal to 1% over the prime rate as of each January 1st. During fiscal 2009, amounts credited under the Deferred Compensation Plan at interest rates greater than 120% of the applicable federal long-term rate in effect have been reported for the NEOs in the Summary Compensation Table above, in the Change in Pension Value and Non-Qualified Deferred Compensation column.

NEOs are immediately 100% vested in their account balance under the Non-Qualified Deferred Compensation Plan, including credited interest. NEOs may choose 5, 10 or 15 years or lump sum payment option.

TRANSACTIONS WITH RELATED PERSONS

The Company s written policies and procedures with respect to transactions with related persons requires the review and approval or ratification by the Audit Committee for any transaction in which the Company will be a participant and any related person has or will have a material interest (direct or indirect), other than transactions involving less than $5,000 when aggregated with all similar transactions. Related persons include the Company s directors, director nominees and executive officers and their immediate family members, as well as persons owning more than 5% of the Company s common stock and any immediate family member of such shareholder.

Under the Company s Related Person Transaction Policy, a related person transaction may be consummated or continue if the Audit Committee has approved or ratified the transaction in accordance with the following guidelines: in considering whether to approve or ratify related person transactions, the Audit Committee will take into account, among other factors, (i) whether the related person transaction is on terms comparable to those that could be obtained in arm s length dealings with an unrelated third party; (ii) whether the related person transaction has been reviewed and approved by the Company s subsidiary banking institution in accordance with Federal Reserve Regulation O and the process and procedure established by such subsidiary banking institution to insure compliance with Regulation O; (iii) whether the related person transaction is approved by the disinterested members of the Board of Directors; and (iv) whether the related person transaction involves compensation approved by the Company s Human Resource and Compensation Committee.

The Audit Committee meets annually with management to discuss and review related person transactions for that calendar year, including the proposed aggregate value of such transactions. After review and discussion, the Audit Committee will determine, based on the above guidelines, whether to approve or ratify each related person transaction, and at each subsequently scheduled meeting, management will update the Audit Committee, as necessary, as to any material change to related person transactions and any proposed related person transactions.

In the event that a related person transaction is proposed during the interim period between regularly scheduled Audit Committee meetings, the transaction may be presented to the Audit Committee by management for approval or preliminarily entered into by management subject to ratification by the Audit Committee in accordance with the above guidelines; provided that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction.

In particular, the Audit Committee has approved the provision of certain life and disability insurance policies from several different insurance companies for which Thomas H. Waring, Jr., a director, serves as agent on terms and conditions normal and customary in the ordinary course of business for the purchase of life and disability insurance. The total premium paid to these insurance companies was approximately $18,877 and $173,000 in fiscal 2009 and 2008, respectively. The aggregate amount received by Waring Financial Group for the placement of such life and disability insurance policies was approximately $293 and $3,761 for fiscal 2009 and 2008, respectively. Additionally, the Audit Committee approved the services of Harris Beach PLLC as its general counsel. Phillip Brothman, a director and Chairman of the Board of Directors, is a member of that firm. The legal services provided (and to be provided) to the Company and its Bank subsidiary are considered normal and customary in the ordinary course of business. The aggregate fees paid to Harris Beach PLLC for legal services to the Company and to the Bank in fiscal 2009 and 2008 were approximately $511,000 and $413,000, respectively. Mr. Brothman has less than a 1% equity interest in Harris Beach PLLC.

In addition, Mr. Tilley, a director and former Chief Executive Officer and President of the Company and the Bank, continues to receive payments under the Bank s Pension Plan and SERP. He received payments aggregating $118,833 in 2009 and $158,056 in 2008 under those plans.

The Bank has had, and in the future expects to have, banking and fiduciary transactions with directors and executive officers of the Company and some of their affiliates. All such transactions have been in the ordinary course of business and on substantially the same terms (including interest rates and collateral on loans) as those prevailing at the time for comparable transactions with unrelated third parties, and do not involve more than a normal risk of collectivity or present other unfavorable features.

AUDIT COMMITTEE REPORT

The information contained in this Audit Committee Report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Audit Committee has reviewed and discussed with the Company s management and KPMG LLP, the Company s independent registered public accounting firm, the audited consolidated financial statements of the Company contained in the Company s Annual Report on Form 10-K for the 2009 fiscal year. The Audit Committee has also discussed with KPMG LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee has received and reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP s communications with the Audit Committee concerning independence, and has discussed with KPMG LLP its independence from the Company.

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 the Company s Annual Report on Form 10-K for its 2009 fiscal year for filing with the SEC.

Submitted by the Audit Committee,

John R. O Brien, Chairman
James E. Biddle, Jr.
Mary Catherine Militello
David M. Taylor

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed KPMG LLP to continue as the Company s independent registered public accounting firm and to conduct the audit of the Company s consolidated financial statements for the year ending December 31, 2010. Representatives of KPMG LLP will be present at the Annual Meeting to respond to appropriate questions that may be raised, and they will have the opportunity to make a statement, if they so desire.

Fees Billed by KPMG LLP. The following table shows the fees that KPMG LLP billed the Company for audit and other services provided for fiscal years 2009 and 2008. Audit fees consist of professional services rendered for the audit of the Company s annual consolidated financial statements and internal control over financial reporting, review of the Company s financial statements included in the Company s quarterly reports on Form 10-Q, and services that are normally provided by KPMG LLP in connection with statutory and regulatory filings, including SEC filings or engagements for fiscal years 2009 and 2008. Tax fees consist of the preparation of federal and state tax extensions.

	2009	2008
Audit Fees	$ 225,000	$ 187,500
Audit-Related Fees	2,500	
Tax Fees		14,700
All Other Fees		
Total	$ 227,500	$ 202,200

All fees listed in the table above were pre-approved by the Company s Audit Committee under the pre-approval policy described below.

The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining the principal accountant s independence and has concluded that such services did not impair KPMG LLP s independence. The Audit Committee s pre-approval policy details the types of audit, audit-related, tax and other services that have the general pre-approval of the Audit Committee, and the cost limits for those services. Unless a type of service to be provided by the independent auditors has received general pre-approval, it requires specific pre-approval by the Audit Committee. Also, any proposed services exceeding pre-approved cost levels require specific pre-approval by the Audit Committee.

PROPOSAL II RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company is asking shareholders to ratify the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for our current fiscal year. Our 2010 fiscal year began on January 1, 2010 and will end on December 31, 2010. Although ratification is not legally required, Evans Bancorp, Inc. is submitting the appointment of KPMG to our shareholders for ratification in the interest of good corporate governance. In the event that this appointment is not ratified, the Audit Committee of the Board will reconsider the appointment.

The Audit Committee appoints the independent registered public accounting firm annually. Before appointing KPMG as our independent registered public accounting firm for fiscal 2010, the Audit Committee carefully considered the firm s qualifications and performance during fiscal 2009, as well as the fees paid to KPMG for

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such services. In its review of non-audit service fees and its appointment of KPMG as Evans Bancorp, Inc. s independent registered public accounting firm, the Audit Committee considered whether the provision of such services was compatible with maintaining KPMG s independence.

Representatives of KPMG will be present at the Meeting. They will be given an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

THE COMPANY S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2010.

OTHER MATTERS

The cost of solicitation of proxies will be borne by the Company. Solicitation other than by mail may be made by directors, officers or by regular employees of the Company, who will receive no additional compensation therefor, by personal or telephone solicitation, the cost of which is expected to be nominal.

The Board of Directors knows of no other matters to be presented for shareholder action at the Annual Meeting, other than the election of directors. However, if other matters do properly come before the meeting or any adjournments thereof, the Board of Directors intends that the persons named in the proxies will vote upon such matters in accordance with their best judgment.

SHAREHOLDER PROPOSALS FOR 2011 ANNUAL MEETING OF SHAREHOLDERS

Requirements for Shareholder Proposals to be Considered for Inclusion in the Company s Proxy Materials. Shareholders of the Company may submit proposals on matters appropriate for shareholder action at meetings of shareholders in accordance with Rule 14a-8(e) promulgated under the Securities Exchange Act of 1934. For such proposals to be included in the Company s proxy materials relating to its 2011 Annual Meeting of Shareholders, all applicable requirements of Rule 14a-8 must be satisfied and such proposals must be received by the Company no later than November 24, 2010. Such proposals should be delivered to the Secretary, Evans Bancorp, Inc., 14-16 North Main Street, Angola, New York 14006.

Requirements for Shareholder Proposals to be Brought Before the Annual Meeting. Except in the case of proposals made in accordance with Rule 14a-8(e) and for shareholder nominations to the Board of Directors, which are governed by the procedures for director nominations by shareholders contained in the Company s bylaws, for proposals to be considered at an Annual Meeting, the shareholder must have given timely notice thereof in writing to the Secretary of the Company not less than 45 days prior to the anniversary of the date on which the Company first sent its proxy materials for its immediately preceding annual meeting of shareholders. To be timely for the 2011 Annual Meeting, a shareholder s notice must be delivered to or mailed and received by the Secretary of the Company at the principal executive offices of the Company by February 7, 2011. A shareholder s notice to the Secretary must set forth, as to each matter the shareholder proposes to bring before the Annual Meeting, the information required by the Company s bylaws.

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A copy of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (without exhibits) is being distributed with this Proxy Statement. The Annual Report on Form 10-K is also available, without charge, by writing or telephoning Michelle A. Baumgarden, Evans Bancorp, Inc., One Grimsby Drive, Hamburg, NY 14075, (716) 926-2000. In addition, the Annual Report on Form 10-K (with exhibits) is available at the SEC s website (*www.sec.gov*) and the Company s website (*www.evansbancorp.com*).

By Order of the Board of Directors,
EVANS BANCORP, INC.
William R. Glass
Secretary
Angola, New York
March 24, 2010

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Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. x

Annual Meeting Proxy Card

6 **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** 6

Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.

1. Election of Directors:	For	Withhold		For	Withhold		For	Withhold
01 - Phillip Brothman	o	o	02 - Mary Catherine Militello	o	o	03 - David J. Nasoa	o	o

+

	For	Against	Abstain
2. Ratification of the appointment of KPMG LLP as Evans Bancorp Inc. s independent registered public accounting firm for fiscal year 2010.	o	o	o

3. In their discretion, the proxies are authorized to vote on such other business as may properly come before the Twenty-Second Annual Meeting of Shareholders or any adjournment(s) thereof.

B Non-Voting Items

Change of Address Please print new address below.

Meeting Attendance
Mark box to the right if you plan to attend the Annual Meeting. o

Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.	Signature 1 Please keep signature within the box.	Signature 2 Please keep signature within the box.
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PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Revocable Proxy Evans Bancorp, Inc.

PROXY FOR THE TWENTY-SECOND ANNUAL MEETING OF SHAREHOLDERS
Evans Bancorp, Inc.
14-16 North Main Street
Angola, NY 14006
This Proxy is solicited on Behalf of the Board of Directors of Evans Bancorp, Inc.

The undersigned hereby appoints Kenneth C. Kirst and Nancy W. Ware as Proxies, each with the power to appoint his/her substitute and hereby authorizes either of them to represent and to vote all the shares of Common Stock of Evans Bancorp, Inc. held of record by the undersigned at the close of business on March 8, 2010 at the Twenty-Second Annual Meeting of Shareholders to be held on April 22, 2010, or any adjournments thereof, upon the matters listed on the reverse side hereof.

Each of the Proxies is authorized to vote, in his/her discretion, upon such other matters as may properly come before the meeting or any adjournment thereof. This proxy, when properly executed, will be voted in the manner directed herein by the undersigned shareholder. **If no direction is given, this proxy will be voted FOR each nominee set forth on the reverse side hereof under Proposal 1, FOR Proposal 2 to ratify the appointment of KPMG LLP as Evans Bancorp Inc. s independent registered public accounting firm for fiscal year 2010, and with discretionary authority on such other matters as may properly come before the meeting or any adjournment thereof. Shareholders may revoke this proxy following the procedures described in the accompanying Proxy Statement.**

The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement dated March 24, 2010, and a copy of the Evans Bancorp, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2009. The undersigned hereby revokes any proxy or proxies heretofore given with respect to the Annual Meeting.

PLEASE MARK, DATE, SIGN AND RETURN THE PROXY PROMPTLY, USING THE ENCLOSED ENVELOPE.