

NBT BANCORP INC
Form DEF 14A
March 31, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No.)

Filed by Registrant

Filed by 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

NBT Bancorp Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

NBT Bancorp Inc.

52 South Broad Street
Norwich, New York 13815

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NBT Bancorp Inc. ("NBT") will hold an annual meeting of shareholders at the Binghamton Holiday Inn Arena at 2-8 Hawley Street, Binghamton, New York 13901 on May 6, 2008 at 10:00 a.m. local time for the following purposes:

1. To fix the size of the Board of Directors at eleven;
2. To elect two directors, each for a three year term;
3. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2008;
4. To approve the NBT 2008 Omnibus Incentive Plan; and
5. To transact such other business as may properly come before the NBT annual meeting.

We have fixed the close of business on March 15, 2008 as the record date for determining those shareholders of NBT entitled to vote at the NBT annual meeting and any adjournments or postponements of the meeting. Only holders of record of NBT common stock at the close of business on that date are entitled to notice of and to vote at the NBT annual meeting.

By Order of the Board of Directors of
NBT Bancorp Inc.

/s/ Daryl R. Forsythe
Daryl R. Forsythe
Chairman of the Board

Norwich, New York
March 31, 2008

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED REGARDLESS OF THE NUMBER YOU OWN. EVEN IF YOU PLAN TO BE PRESENT, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD PROMPTLY IN THE ENVELOPE PROVIDED OR VOTE VIA THE

TOLL-FREE TELEPHONE NUMBER OR VIA THE INTERNET ADDRESS LISTED ON THE PROXY CARD. YOU MAY REVOKE ANY PROXY GIVEN IN WRITING OR IN PERSON AT ANY TIME PRIOR TO THE VOTE AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 6, 2008: This Proxy Statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and our 2007 Annual Report are available free of charge on our website at www.nbtbancorp.com/bncp/proxy.html.

NBT Bancorp Inc.
52 South Broad Street
Norwich, New York 13815

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 6, 2008

This proxy statement and accompanying proxy card are being sent to the shareholders of NBT Bancorp Inc. (“NBT” or, the “Company”) in connection with the solicitation of proxies on behalf of the Board of Directors to be used at the 2008 annual meeting of shareholders. This proxy statement, together with the enclosed proxy card, is being mailed to shareholders on or about March 31, 2008.

When and Where the NBT Annual Meeting Will Be Held

We will hold our annual meeting of shareholders at the Binghamton Holiday Inn Arena at 2-8 Hawley Street, Binghamton, New York 13901 on May 6, 2008 at 10:00 a.m. local time.

What Will Be Voted on at the NBT Annual Meeting

At our annual meeting, our shareholders will be asked to consider and vote upon the following proposals:

- To fix the size of the Board of Directors at eleven;
- To elect two directors, each for a three year term;
- To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2008;
- To approve the NBT 2008 Omnibus Incentive Plan; and
- To transact such other business as may properly come before the NBT annual meeting.

We may take action on the above matters at our annual meeting on May 6, 2008, or on any later date to which the annual meeting is postponed or adjourned.

We are unaware of other matters to be voted on at our annual meeting. If other matters do properly come before our annual meeting, including consideration of a motion to adjourn the annual meeting to another time and/or place for the purpose of soliciting additional proxies, we intend that the persons named in this proxy will vote the shares represented by the proxies on such matters as determined by a majority of the Company’s Board.

Shareholders Entitled to Vote

We have set March 15, 2008, as the record date to determine which of our shareholders will be entitled to vote at our annual meeting. Only those shareholders who held their shares of record as of the close of business on that date will be entitled to receive notice of and to vote at our annual meeting. As of March 15, 2008, there were 32,066,395 outstanding shares of our common stock. Each of our shareholders on the record date is entitled to one vote per share.

Vote Required to Approve the Proposals

A plurality of the shares of our common stock represented at our annual meeting, either in person or by proxy, and entitled to vote at our annual meeting will elect directors. This means that the two nominees who receive the most votes will be elected.

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The affirmative vote of a majority of the shares of our common stock represented at our annual meeting, either in person or by proxy, and entitled to vote at our annual meeting is required to approve the proposals to fix the number of directors at eleven, to approve and adopt the NBT Bancorp Inc. 2008 Omnibus Incentive Plan and to ratify the Company's independent registered public accounting firm.

Our Board urges our shareholders to complete, date and sign the accompanying proxy and return it promptly in the enclosed postage-paid envelope or to vote by telephone or via the Internet. Broker non-votes will not be counted as a vote cast or entitled to vote on any matter presented at the annual meeting. Abstentions will be counted in determining the number of shares represented and entitled to vote and will have the effect of a vote cast "against" Proposal 1.

Number of Shares that Must Be Represented for a Vote to Be Taken

In order to have a quorum, a majority of the total voting power of our outstanding shares of common stock entitled to vote at our annual meeting must be represented at the annual meeting either in person or by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum for the transaction of business.

Voting Your Shares

Our Board is soliciting proxies from our shareholders. This will give you an opportunity to vote at our annual meeting without having to attend. When you deliver a valid proxy, the shares represented by that proxy will be voted by a named agent in accordance with your instructions.

If you are a record holder and vote by proxy but make no specification on your proxy card that you have otherwise properly executed, the named agent may vote the shares represented by your proxy:

FOR fixing the number of directors at eleven;

FOR electing the two persons nominated by our Board as directors;

- FOR ratifying the appointment of KPMG LLP as our independent registered public accounting firm; and
- FOR the approval of the Omnibus Incentive Plan.

If you are a shareholder whose shares are registered in your name, you may vote your shares by using one of the following four methods:

Mail. To grant your proxy by mail, please complete your proxy card and sign, date and return it in the enclosed envelope. To be valid, a returned proxy card must be signed and dated.

Telephone. If you hold NBT common stock in your own name and not through a broker or other nominee, you can vote your shares of NBT common stock by telephone by dialing the toll-free telephone number 1-800-690-6903. Telephone voting is available 24 hours a day until 11:59 p.m. local time on May 5, 2008. Telephone voting procedures are designed to authenticate shareholders by using the individual control numbers on your proxy card. If you vote by telephone, you do not need to return your proxy card.

Via the Internet. If you hold NBT common stock in your own name and not through a broker or other nominee, you can vote your shares of NBT common stock electronically via the Internet at www.proxyvote.com. Internet voting is available 24 hours a day until 11:59 p.m. local time on May 5, 2008. Internet voting procedures are designed to

authenticate shareholders by using the individual control numbers on your proxy card. If you vote via the Internet, you do not need to return your proxy card.

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In person. If you attend the annual meeting in person, you may vote your shares by completing a ballot at the meeting. Attendance at the annual meeting will not by itself be sufficient to vote your shares; you still must complete and submit a ballot at the annual meeting.

If your shares are registered in the name of a bank or brokerage firm you will receive instructions from your holder of record that must be followed in order for the record holder to vote the shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions over the phone or via the Internet. If you hold shares through a bank or brokerage firm and wish to be able to vote in person at the meeting, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspector of elections with your ballot.

Changing Your Vote

Any NBT shareholder of record giving a proxy may revoke the proxy at any time before the vote at the annual meeting in one or more of the following ways:

Delivering a written notice of revocation to the Secretary of NBT bearing a later date than the proxy;

Submitting a later dated proxy by mail, telephone or via the Internet; or

Appearing in person and submitting a later dated proxy or voting at the annual meeting.

Attendance at the annual meeting will not by itself constitute a revocation of a proxy; to revoke your proxy, you must complete and submit a ballot at the annual meeting or submit a later dated proxy.

You should send any written notice of revocation or subsequent proxy to NBT Bancorp Inc., 52 South Broad Street, Norwich, New York 13815, Attention: Corporate Secretary, or hand deliver the notice of revocation or subsequent proxy to the Corporate Secretary at or before the taking of the vote at the annual meeting. You may also revoke your proxy by telephone or via the Internet by giving a new proxy over the telephone or the Internet prior to 11:59 p.m. on May 5, 2008.

If you hold shares through a bank or brokerage firm, you must contact that firm to revoke any prior voting instructions. You may also vote in person at the annual meeting if you obtain a legal proxy as described above.

Solicitation of Proxies and Costs

We will bear our own costs of soliciting of proxies. We will reimburse brokerage houses, fiduciaries, nominees and others for their out-of-pocket expenses in forwarding proxy materials to owners of shares of our common stock held in their names. In addition to the solicitation of proxies by use of the mail, we may solicit proxies from our shareholders by directors, officers and employees acting on our behalf in person or by telephone, facsimile or other appropriate means of communications. We will not pay any additional compensation, except for reimbursement of reasonable out-of-pocket expenses, to our directors, officers and employees in connection with the solicitation. You may direct any questions or requests for assistance regarding this proxy statement to Michael J. Chewens, Senior Executive Vice President of NBT, by telephone at (607) 337-6520 or by e-mail at mjchewens@nbtbc.com.

Annual Report

A copy of the Company's 2007 Annual Report accompanies this Proxy Statement. NBT is required to file an annual report on Form 10-K for its 2007 fiscal year with the Securities and Exchange Commission (the "SEC"). Shareholders may obtain, free of charge, a copy of the Form 10-K by writing to: NBT Bancorp Inc., 52 South Broad Street,

Norwich, New York 13815, Attention: Corporate Secretary. Our annual report on Form 10-K is available on our website, www.nbtbancorp.com.

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REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO US. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR VOTE BY TELEPHONE OR VIA THE INTERNET USING THE TELEPHONE NUMBER OR THE INTERNET ADDRESS ON YOUR PROXY CARD.

PROPOSAL 1

SIZE OF THE BOARD OF DIRECTORS

Our Bylaws provide for a Board consisting of a number of directors, not less than five nor more than twenty-five, as shall be designated by our shareholders as of each annual meeting. Our Board is presently comprised of fourteen members. Messrs. Gregory, Horger and Ms. Ingraham, whose terms expire as of the 2008 annual meeting, have advised the Company that they intend to retire from the Board effective as of the annual meeting, at which point the Company will have eleven directors. Accordingly, the Board has proposed that the shareholders vote to fix the number of directors constituting the full Board at eleven members.

The Board of Directors unanimously recommends that shareholders vote "FOR" fixing the size of the Board of Directors at eleven members.

PROPOSAL 2

ELECTION OF DIRECTORS

At the annual meeting, two directors will be elected to serve a three year term until each such director's successor is elected and qualified or until the director's earlier death, resignation or removal. The Board currently consists of fourteen members and is divided into three classes. The term of only one class of directors expires in each year, and their successors are elected for terms of up to three years and until their successors are elected and qualified. Messrs. Santangelo and Chojnowski, whose terms expire at the 2008 annual meeting, have been nominated to stand for re-election at the 2008 annual meeting for terms expiring in 2011. Messrs. Gregory, Horger and Ms. Ingraham, whose terms expire as of the 2008 annual meeting, have advised the Company that they intend to retire from the Board effective as of the annual meeting. As of October 22, 2007, Mr. Michael Hutcherson resigned from the Board of Directors of the Company to commit more time to his insurance agency. The Board greatly appreciates their service and contributions to the success of the Company and NBT Bank (the "Bank").

The persons named in the enclosed proxy intend to vote the shares of our common stock represented by each proxy properly executed and returned to us FOR election of the following nominees as directors, but if the nominees should be unable to serve, they will vote such proxies for those substitute nominees as our Board shall designate to replace those nominees who are unable to serve. Our Board currently believes that each nominee will stand for election and will serve if elected as a director. Assuming the presence of a quorum at the annual meeting, the two director nominees for the class expiring at the 2011 annual meeting will be elected by a plurality of the votes cast by the shares of common stock entitled to vote at the annual meeting and present in person or represented by proxy. This means that the two nominees who receive the most votes will be elected. There are no cumulative voting rights in the election of directors.

BENEFICIAL OWNERSHIP AND RELATED INFORMATION FOR NOMINEES,
CONTINUING DIRECTORS AND NON-DIRECTOR EXECUTIVE OFFICERS

The following table contains stock ownership and other information on the nominees for election for the terms as shown, our directors and our non-director executive officers:

Name	Age at 12/31/07	Principal Occupation During Past Five Years and Other Directorships	Director Since	Number of Common Shares Beneficially Owned on 12/31/07	Percent of Shares Outstanding
Nominees with terms expiring in 2011:					
Richard Chojnowski	65	Electrical contractor (sole proprietorship)	2000	(1) 6,608	
		Directorships:		264,353 (2)	
		Pennstar Bank since 1994		8,004 (3)	
				278,965	*
Joseph A. Santangelo	55	President and CEO – Arkell Hall Foundation Inc.	2001	(1) 8,472 (f)	
		Directorships:		4,808 (2)	
		NBT Bank since 1991		6,754 (3)	
				20,034	*
Continuing Directors with terms expiring in 2010:					
Daryl R. Forsythe	64	Chairman of NBT since January 2004;	1992	116,101 (1) (f)	
		Chairman of NBT Bank since January 2004;		1,842 (1) (a)	
		Chairman and CEO of NBT from January 2004 to		1,115 (1) (b)	
		December 2005; Chairman, President and CEO of NBT		(2) 9,369	
		From April 2001 to December 2003; Chairman and		(3) 2,000	
		CEO of NBT Bank from September 1999 to		90,772 (4)	
		December 2003; President and CEO of NBT and		221,199	*
		NBT Bank from January 1995 to April 2001 and			
		September 1999, respectively			
		Directorships:			
		Security Mutual Life Ins. Co. of NY			

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		New York Central Mutual Fire Insurance Co.			
		New York Business Development Corp.			
		NBT Bank since 1988			
William C. Gumble	70	Retired attorney-at-law; County Solicitor and District Attorney of Pike County, PA	2000	97,602 (1)	
		Directorships:		7,971 (3)	
		Pennstar Bank since 1985		105,573	*
William L. Owens	58	Partner, law firm of Stafford, Owens, Curtin & Trombley, PLLC	1999	10,426 (1)	
		Directorships:		5,161 (3)	
		Champlain Enterprises, Inc.		15,587	*
		Mediquest, Inc.			
		Champlain Valley Health Network Inc.			
		SUNY Plattsburgh College Council			
		NBT Bank since 1995			
Patricia T. Civil	58	Retired Managing Partner, PricewaterhouseCoopers LLP	2003	6,465 (1)	
		Directorships:		4,504 (3)	
		Unity Mutual Life Insurance Company		10,969	*
		Syracuse Research Corp.			
		Anaren, Inc.			
		NBT Bank since 2003			
Robert A. Wadsworth	59	Chairman and CEO of Preferred Mutual Insurance Co.	2006	2,948 (1)	
		Directorships:		526 (3)	
		Preferred Mutual Insurance Company		164,041	(d)
		Preferred Services Corp.		167,515	*
		Preferred of New York Inc.			
		Excess Reinsurance Company			
		Guilderland Reinsurance Company			
		NBT Bank since 2005			

Photos of the NBT Bancorp Board of Directors can be found on Page 12.

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Name	Age at 12/31/07	Principal Occupation During Past Five Years and Other Directorships	Director Since	Number of Common Shares Beneficially Owned on 12/31/07	Percent of Shares Outstanding
Continuing Directors with terms expiring in 2009:					
Martin A. Dietrich	52	CEO of NBT since January 2006;	2005	34,424 (1)	
		President of NBT since January 2004;		848 (1) (a)	
		President and CEO of NBT Bank since		23,242 (1) (b)	
		January 2004; President and Chief Operating		14,544 (2)	
		Officer of NBT Bank from September 1999		158,846 (4)	
		to December 2003		6,000 (c)	
		Directorships:		755 (g)	
		Preferred Mutual Insurance Company		238,659	*
		Chenango Memorial Hospital Board of Trustees			
		United Health Services			