

CITY HOLDING CO  
Form DEF 14A  
March 23, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CITY HOLDING COMPANY  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
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March 23, 2016

To Our Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the Annual Meeting of Shareholders of City Holding Company to be held in the Stimpson Auditorium at Shenandoah University, located at 600 Millwood Avenue, Winchester, Virginia 22601, on Wednesday, April 27, 2016 at 3:30 p.m.

The notice of meeting and proxy statement accompanying this letter describe the specific business to be acted upon.

In addition to the specific matters to be acted upon, there will be a report on the progress of the Company and an opportunity for questions of general interest to the shareholders. We hope that you will join us at this year's Annual Meeting and look forward to personally greeting those of you who are able to attend.

It is important that your shares be represented at the meeting. Whether or not you plan to attend the Annual Meeting, please vote your shares by: (1) accessing the Internet at the website included on the proxy card, (2) calling the toll-free number shown on the proxy card, or (3) completing, signing and returning the enclosed proxy card as soon as possible in the postage-paid envelope provided.

City Holding Company thanks you for your consideration and your continued support.

C. Dallas Kayser  
Chairman of the Board

Charles R. Hageboeck  
President & CEO

CITY HOLDING COMPANY

25 Gateway Road  
Post Office Box 7520  
Charleston, West Virginia 25356-0520

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held April 27, 2016

Notice is hereby given that the Annual Meeting of Shareholders of City Holding Company will be held in the Stimpson Auditorium at Shenandoah University, located at 600 Millwood Avenue, Winchester, Virginia 22601, on Wednesday, April 27, 2016 at 3:30 p.m. (local time) for the following purposes:

1. Election of Directors. To elect five Class II directors to serve for a term of three years and one Class III director to serve for a term of one year. The names of the nominees are set forth in the accompanying proxy statement.
2. Ratify Independent Registered Public Accounting Firm. To ratify the Audit Committee and the Board of Directors' appointment of Ernst & Young LLP as the independent registered public accounting firm for City Holding Company for 2016.
3. Advisory (Non-binding) Vote on Executive Compensation. To approve a non-binding advisory proposal on the compensation of the Named Executive Officers.
4. Other Business. To transact such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 11, 2016 are the only shareholders entitled to notice of and to vote at the annual shareholders meeting.

By Order of the Board of Directors,  
Victoria A. Faw,  
Secretary

March 23, 2016

IMPORTANT NOTICE

We urge you to sign and return the enclosed proxy or transmit your voting instructions by telephone or Internet as promptly as possible, regardless of your plans to attend the meeting. Please refer to the instructions on the proxy card for details about transmitting your voting instructions by telephone or Internet. If you attend the meeting, you may vote your shares in person, even if you have previously signed and returned your proxy or transmitted your voting instructions by telephone or Internet.

CITY HOLDING COMPANY  
25 Gatewater Road  
Charleston, West Virginia 25356-0520

## PROXY STATEMENT

### Information Concerning the Solicitation

This statement is furnished in connection with the solicitation of proxies to be used at the Annual Meeting of Shareholders of City Holding Company (the “Company” or “City”) to be held on April 27, 2016.

The solicitation of proxies in the enclosed form is made on behalf of the Board of Directors of the Company. The cost of preparing, assembling, and mailing the proxy material and of reimbursing brokers, nominees, and fiduciaries for the out-of-pocket and clerical expenses of transmitting copies of the proxy material to the beneficial owners of shares held of record by such persons will be borne by the Company. The Company does not currently intend to solicit proxies otherwise than by use of the mail, but certain officers and regular employees of the Company or its subsidiaries, without additional compensation, may use their best efforts, by telephone or otherwise, to obtain proxies. The proxy materials are being mailed, on or about March 23, 2016, to shareholders of record at the close of business on March 11, 2016 (the “Record Date”).

### Annual Reports

The Company’s Annual Report to Shareholders for the fiscal year ended December 31, 2015, is being furnished with this Proxy Statement to shareholders of record on the Record Date. The Annual Report to Shareholders does not constitute a part of this Proxy Statement or the proxy solicitation material.

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 27, 2016

This Proxy Statement and the 2015 Annual Report and any amendments thereto that are required to be furnished to shareholders are available online at [www.ViewMaterial.com/CHCO](http://www.ViewMaterial.com/CHCO).

### Householding

The Securities and Exchange Commission (“SEC”) has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process is commonly referred to as “householding.”

The Company has implemented “householding” in an effort to reduce the number of duplicate mailings to the same address. This process benefits both shareholders and the Company because it eliminates unnecessary mailings delivered to your home and helps to reduce the Company’s expenses. “Householding” will not be used, however, if the Company has received contrary instructions from one or more of the shareholders sharing an address. We will continue to “household” indefinitely until you instruct us otherwise. You may notify the Company that you would like to receive separate copies of the Company’s annual report and proxy statement in the future, or that you would like to receive one copy for multiple shareholders sharing an address, by calling Computershare Investor Services, LLC at 1-800-568-3476, or by mail to the attention of City Holding Company, c/o Computershare Investor Services, LLC, P. O. Box 43078, Providence, RI 02940-3078. If you would like to receive a separate copy of the Company’s

2015 Proxy Statement and Annual Report, please contact Victoria A. Faw, Corporate Secretary, City Holding Company, 25 Gatewater Road, Cross Lanes, WV 25313 or call 304-769-1100. Even if your household receives only one annual report and one proxy statement, the Company will continue to send a separate proxy card for each shareholder residing at your address. Please note, however, that if a broker holds shares of the Company on your behalf, (that is, in "street name" (e.g., in a brokerage account or retirement plan account)) you may continue to receive duplicate mailings.

#### Voting Methods

The accompanying proxy is for use at the Annual Meeting if a shareholder either will be unable to attend in person or will be able to attend but wishes to vote by proxy. Shares may be voted by completing the enclosed proxy card and mailing it in the postage-paid envelope provided, voting over the Internet, or using a toll-free telephone number. Please refer to the proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available. (If your shares are held in the name of a bank, broker or other

-1-

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holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.) Shareholders who vote over the Internet may incur costs, such as Internet access charges, for which the shareholder is responsible. The Internet and telephone voting facilities for eligible shareholders of record will close at 6:00 a.m., Eastern Time, on April 27, 2016. Specific instructions to be followed by any shareholder interested in voting via the Internet or telephone are shown on the enclosed proxy card. The Internet and telephone voting procedures are designed to authenticate the shareholder's identity and to allow shareholders to vote their shares and confirm that their instructions have been properly recorded. In the event that a shareholder's proxy does not reference Internet or telephone information because the shareholder is not the registered owner of the shares, the shareholder should complete and return the paper proxy card in the self-addressed, postage-paid envelope provided.

The proxy may be revoked at any time before the shares subject to it are voted by (i) notifying, in writing, Victoria A. Faw, Corporate Secretary, City Holding Company, P. O. Box 7520, Charleston, WV 25356-0520, (ii) executing a proxy bearing a later date (including a proxy given over the Internet or by telephone), or (iii) voting in person at the Annual Meeting the shares represented by the proxy. (Your attendance at the Annual Meeting will not, by itself, revoke your proxy; you must vote in person at the Annual Meeting.) If your shares are held by a broker on your behalf (that is, in street name), you must contact your broker or nominee to revoke your proxy.

If you participate in City Holding Company's 401(k) Plan & Trust and hold shares of Company common stock in your plan account as of the Record Date, you will receive a request for voting instructions from the tabulation agent on behalf of the trustee (City National Bank) with respect to your plan shares. If you hold Company common stock outside of the plan, you will vote those shares separately. You are entitled to direct City National Bank how to vote your plan shares.

All shares of the Company's common stock, par value \$2.50 per share (the "Common Stock") represented by valid proxies received pursuant to this solicitation, and not revoked before they are exercised, will be voted in the manner specified therein. The Board of Directors unanimously recommends a vote:

1. FOR the nominees for director listed in these materials and on the proxy card;
2. FOR the ratification of the selection of the Company's independent registered public accounting firm; and
3. FOR the approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in these materials.

In the absence of voting instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with the foregoing recommendations. If any other matters are properly presented for consideration at the Annual Meeting, the persons named as proxies and acting thereunder will have discretion to vote on those matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. At this time, the Company is not aware of any other matters that may come before the Annual Meeting.

#### Outstanding Voting Shares

The Company's only authorized voting equity security is its Common Stock.

Only shareholders of record at the close of business on March 11, 2016, the Record Date, are entitled to vote at the Annual Meeting. On that day, there were issued and outstanding 15,150,303 shares of Common Stock (after deducting an aggregate of 3,362,979 shares held in treasury). Each share is entitled to one vote. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of the Company's Common Stock entitled to a vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Abstentions will be counted as shares present for purposes of determining the presence of a quorum. A quorum must be present before

any business, including the shareholder votes listed above, can be conducted.

With respect to Proposal 1, directors are elected by a plurality of the votes cast; therefore, the directors that receive the most “for” votes will be elected and a vote withheld will not affect the outcome of the election. In elections of directors, each shareholder shall have the right to cast one vote for each share of stock owned by him for as many persons as there are directors to be elected, or, upon notice to the Company at least 48 hours before the Annual Meeting and in accordance with West Virginia law, he may cumulate such votes and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares of stock, or he may distribute them on the same principle among as many candidates and in such manner as he shall desire. If one shareholder duly gives notice in accordance with West Virginia law that he intends to cumulate votes, all shareholders may do so. If any shares are voted for the election of directors, the persons named in the accompanying proxy card may, unless otherwise directed, cumulate their votes at their discretion and vote for less than all such nominees. For all other purposes, each share is entitled to only one vote.

With respect to Proposal 2, the number of votes cast “for” the approval of the ratification of the selection of Ernst & Young LLP as the Company’s independent registered public accounting firm must exceed the number of votes cast “against” the proposal. “Abstain” votes will not affect the outcome of Proposal 2.

With respect to Proposal 3, the number of votes cast “for” the approval of the compensation of the named executive officers as discussed in these materials must exceed the number of votes cast “against” the proposal. “Abstain” votes will not affect the outcome of Proposal 3.

If your shares are held by a broker on your behalf (that is, in “street name”), and you do not instruct the broker as to how to vote these shares on Proposals 1 or 3, the broker may not exercise discretion to vote for or against those proposals. This would be a “broker non-vote” and these shares will not be counted as having been voted on the applicable proposal. With respect to Proposal 2, the broker may exercise its discretion to vote for or against that proposal in the absence of your instruction. Please instruct your bank or broker so your vote can be counted.

## COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

### Beneficial Ownership of Directors and Named Executive Officers

Information included in this table is based upon the “beneficial ownership” rules issued under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”). Under these rules, a person is deemed to be a beneficial owner of any shares of our common stock if that person has or shares “voting power,” which includes the power to vote or direct the voting of the shares, or “investment power,” which includes the right to dispose or direct the disposition of the shares. Thus, under the rules, more than one person may be deemed to be a beneficial owner of the same shares. A person is also deemed to be a beneficial owner of any shares as to which that person has the right to acquire beneficial ownership within 60 days.

The table below presents certain information as of March 2, 2016 regarding beneficial ownership of shares of Common Stock by directors, named executive officers listed under “Executive Officers of City Holding Company” on page 15, and all directors and executive officers as a group.

### BENEFICIAL OWNERSHIP

Name of Beneficial Owner	Sole Voting and Investment Power <sup>(1)</sup> (#)	Common Shares Subject to a Right to Acquire <sup>(2)</sup> (#)	Aggregate Percentage Owned (%)	CHCO Shares Held as Collateral for Loans (#)
<b>Directors</b>				
John R. Elliot	166,579	-	1.10	-
Charles W. Fairchilds <sup>(3)</sup>	7,664	-	*	-
William H. File III <sup>(3)</sup>	23,753	-	*	-
Robert D. Fisher	27,525	-	*	-
Jay C. Goldman	23,267	-	*	-
Patrick C. Graney, III <sup>(4)</sup>	2,353	-	*	-
Charles R. Hageboeck	86,897	6,250	*	-
David W. Hambrick	45,761	-	*	-
Tracy W. Hylton II <sup>(3)</sup>	53,022	-	*	-
J. Thomas Jones	3,285	-	*	-
C. Dallas Kayser <sup>(3)</sup>	21,303	-	*	-
Philip L. McLaughlin <sup>(5)</sup>	42,808	-	*	-

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James L. Rossi	16,108	-	*	-
Sharon H. Rowe <sup>(3)</sup> <sup>(6)</sup>	10,376	-	*	9,625

-3-

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## BENEFICIAL OWNERSHIP

Name of Beneficial Owner	Sole Voting and Investment Power <sup>(1)</sup> (#)	Common Shares Subject to a Right to Acquire <sup>(2)</sup> (#)	Aggregate Percentage Owned (%)	CHCO Shares Held as Collateral for Loans (#)
Named Executive Officers				
David L. Bumgarner	14,665	1,250	*	-
Craig G. Stilwell	40,116	9,000	*	-
John A. DeRito	23,303	8,000	*	-
Jeffrey D. Legge	14,481	1,250	*	-
Directors and Executive Officers as a group (17 persons)	623,266	25,750	4.28%	9,625

\* Less than 1%.

(1) Includes shares (a) owned by or with certain relatives; (b) held in various fiduciary capacities; (c) held by certain corporations; and (d) held in trust under the Company's 401(k) Plan & Trust.

(2) Includes options to acquire shares of the Company's Common Stock that are exercisable within 60 days.

(3) Messrs. Fairchilds, File, Hylton and Kayser and Ms. Rowe are nominees for election or re-election to the Board of Directors as Class II directors.

(4) Mr. Graney was appointed to the Board of Directors in July 2015 and is a nominee for election to the Board of Directors as a Class III director.

(5) Mr. McLaughlin retired from the Board as of December 31, 2015.

(6) In December 2014, the Board of Directors approved and adopted a revised insider trading policy which, among other things, added a prohibition against the pledging by executive officers or directors of Company securities as collateral for loans or other financial obligations. Ms. Rowe's pledge of shares predates the adoption of the revised policy and the Board of Directors has approved an exception to the policy with respect to Ms. Rowe's pledge.

## Principal Shareholders of the Company

The following table lists each shareholder of the Company who is the beneficial owner of more than 5% of the Company's Common Stock, the only class of stock outstanding, as of March 2, 2016.

Name and Address of Beneficial Owner <sup>(1)</sup>	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class <sup>(1)</sup>
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street New York, NY 10022	1,496,335	9.80%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	1,201,750	7.85%

Information regarding BlackRock, Inc.'s and The Vanguard Group, Inc.'s address, holdings, and percent of class are (1) based solely upon the Company's review of Schedules 13F and 13G filed with the SEC pursuant to Rule 13d-1(b) for the period ended December 31, 2015.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires the Company's officers, directors and persons who own more than 10% of a registered class of the Company's equity securities to file reports of ownership on Form 3 and changes in ownership on Form 4 or Form 5 with the SEC. Such officers, directors and 10% or more shareholders are also required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely upon the review of copies of such reports furnished to the Company through the date hereof, or written representations that no reports were required, the Company believes that during the fiscal year ended December 31, 2015, all filing requirements applicable to its executive officers and directors were met.

-4-

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## GOVERNANCE AND NOMINATING COMMITTEE REPORT

The Governance and Nominating Committee of the Board of Directors (the “Governance Committee”) is comprised of five independent directors and operates under a written charter adopted by the Board of Directors. The Governance Committee is charged with the responsibilities of: (i) identifying individuals qualified to become Board members; (ii) selecting or recommending that the Board select the director nominees for the next annual meeting of shareholders; and (iii) overseeing corporate governance matters for the Company.

Director candidates are nominated by the Governance Committee. The Governance Committee will consider director candidates recommended by shareholders (see “Shareholder Proposals and Nominations” on page 40), other members of the Board, officers and employees of the Company and other sources that the Governance Committee deems appropriate. The Governance Committee’s written charter directs the Governance Committee to evaluate the candidates based upon the totality of the merits of each candidate and not based upon minimum qualifications or attributes. In considering individual nominees, the Governance Committee takes into account the qualifications of other Board members to ensure that a broad variety of skill sets and experience beneficial to the Company and its business are represented on the Board of Directors. The Governance Committee evaluates all director candidates in the same manner regardless of the source of the recommendation. Some of the criteria used by the Governance Committee to evaluate the candidates, including those selected for nomination at the 2016 Annual Meeting, include:

- Personal and professional integrity
- Prior business experience, including knowledge of the banking business
- Education
- Age
- Skills that may be relevant to the Company’s business
- Geographic distribution of the candidates
- Prior board experience with the Company or other publicly traded companies
- Involvement in community, business and civic affairs

In the context of nominating directors, the Company has no official policy regarding diversity. Nevertheless, the Board’s Governance Committee believes that its existing Board is, in fact, well diversified with regard to geographical representation, business backgrounds, civic involvement, and experience on bank boards or comparable organizations – all factors that the Governance Committee believes to be important to representing the interests of the Company’s shareholders.

The Governance Committee is also empowered to retain outside advisors to assist in the performance of its functions with the sole authority to agree to fees and other terms of engagement. The Governance Committee did not hire any outside advisors to assist them with respect to the selection of candidates for director nominations in 2015 and has not hired one for evaluation of the current slate of directors nominated in these materials.

The Governance Committee has nominated for election as Class II directors, all of whom currently serve as Class II directors of the Company, Charles W. Fairchilds, William H. File III, Tracy W. Hylton II, C. Dallas Kayser and Sharon H. Rowe, to serve three-year terms expiring at the 2019 Annual Meeting. In addition, the Governance Committee recommended, and the Board of Directors approved, Mr. Patrick C. Graney III to stand for election as a Class III nominee at the 2016 Annual Meeting to serve for a one-year term expiring at the 2017 Annual Meeting.

Respectfully submitted,

Jay C. Goldman, Chairman  
John R. Elliot

William H. File III  
Robert D. Fisher  
C. Dallas Kayser  
February 24, 2016

-5-

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ELECTION OF DIRECTORS  
(Proposal 1)

The Board of Directors of the Company currently consists of thirteen (13) members. In accordance with the Company's Amended and Restated Bylaws, the Board of Directors is classified into three classes as nearly equal in number as the then total number of Directors constituting the whole Board permits. Each class is to be elected to separate three-year terms with each term expiring in different years. At each Annual Meeting, the directors or nominees constituting one class are elected for a three-year term. The term of Class II directors expires at the 2016 Annual Meeting. There are five nominees for election as Class II directors to serve for terms of three years expiring at the Annual Meeting in 2019. Messrs. Fairchilds, File, Hylton and Kayser and Ms. Rowe currently serv