

ESSA Bancorp, Inc.
Form DEF 14A
January 08, 2010
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14-A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12
ESSA BANCORP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

x **No fee required.**

.. **\$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2).**

.. **\$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).**

.. **Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.**

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

2) **Aggregate number of securities to which transaction applies:**

3) **Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:**

4) **Proposed maximum aggregate value of transaction:**

.. **Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

1) **Amount Previously Paid:**

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

3) **Filing Party:**

4) **Date Filed:**

Table of Contents

ESSA Bancorp, Inc.

200 Palmer Street

Stroudsburg, Pennsylvania 18360

January 8, 2010

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of ESSA Bancorp, Inc. Our Annual Meeting will be held at Stroudsmoor Country Inn, located at RD #4, Stroudsmoor Road, Stroudsburg, Pennsylvania 18360, on February 11, 2010 at 11:00 a.m. local time.

The enclosed Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be transacted at the Annual Meeting, which includes a report on the operations of the Company. Directors and officers of the Company will be present to answer any questions that you and other stockholders may have. Also enclosed for your review is our Annual Report on Form 10-K, which contains detailed information concerning the activities and operating performance of the Company.

The business to be conducted at the Annual Meeting consists of the election of three directors and the ratification of the appointment of S.R. Snodgrass, A.C. as our independent registered public accountants for the fiscal year ending September 30, 2010. The Board of Directors unanimously recommends a vote FOR the election of the director nominees and FOR the ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants for the fiscal year ending September 30, 2010.

Please indicate your vote by using the enclosed proxy card or by voting by telephone or Internet, even if you currently plan to attend the Annual Meeting. This will not prevent you from voting in person, but will assure that your vote is counted. Your vote is important.

Sincerely,

Gary S. Olson
President, Chief Executive Officer and Director

Table of Contents

ESSA Bancorp, Inc.

200 Palmer Street

Stroudsburg, Pennsylvania 18360

(570) 421-0531

NOTICE OF

ANNUAL MEETING OF STOCKHOLDERS

To Be Held On February 11, 2010

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of ESSA Bancorp, Inc. will be held at Stroudsmoor Country Inn, located at RD #4, Stroudsmoor Road, Stroudsburg, Pennsylvania 18360, on February 11, 2010 at 11:00 a.m. local time.

A proxy statement and proxy card for the Annual Meeting are enclosed. The Annual Meeting is for the purpose of considering and acting upon:

1. the election of three directors;
2. the ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants for the fiscal year ending September 30, 2010; and
3. such other business as may properly come before the Annual Meeting, and any adjournments or postponement thereof.

The Board is not aware of any other such business. Any action may be taken on the foregoing proposals at the Annual Meeting, including all adjournments thereof. Stockholders of record at the close of business on December 22, 2009 are the stockholders entitled to vote at the Annual Meeting. A list of stockholders entitled to vote will be open and available for inspection at Stroudsmoor Country Inn, located at RD #4, Stroudsmoor Road, Stroudsburg, Pennsylvania 18360 during the entire Annual Meeting.

By Order of the Board of Directors
ESSA Bancorp, Inc.

Stroudsburg, Pennsylvania
January 8, 2010

Suzie T. Farley
Corporate Secretary

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED AT THE ANNUAL MEETING. STOCKHOLDERS WHOSE SHARES ARE HELD IN REGISTERED FORM HAVE A CHOICE OF VOTING BY PROXY CARD, TELEPHONE OR THE INTERNET, AS DESCRIBED ON YOUR PROXY CARD. STOCKHOLDERS WHOSE SHARES ARE HELD IN THE NAME OF A BROKER, BANK OR OTHER HOLDER OF RECORD MUST VOTE IN THE MANNER DIRECTED BY SUCH HOLDER. CHECK YOUR PROXY CARD OR THE INFORMATION FORWARDED BY YOUR BROKER, BANK OR OTHER HOLDER OF RECORD TO SEE WHICH OPTIONS ARE AVAILABLE TO YOU. ANY STOCKHOLDER OF RECORD PRESENT AT THE ANNUAL MEETING MAY WITHDRAW HIS OR HER PROXY AND VOTE PERSONALLY ON ANY MATTER PROPERLY BROUGHT BEFORE THE ANNUAL MEETING. IF YOU ARE A STOCKHOLDER WHOSE SHARES ARE NOT REGISTERED IN YOUR OWN NAME, YOU WILL NEED APPROPRIATE DOCUMENTATION FROM THE STOCKHOLDER OF RECORD TO VOTE IN PERSON AT THE ANNUAL MEETING.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 11, 2010 THIS PROXY STATEMENT, PROXY CARD AND ESSA BANCORP, INC. S 2009 ANNUAL REPORT TO STOCKHOLDERS ARE EACH AVAILABLE AT WWW.ESSAPROXY.COM.

Table of Contents

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>The 2010 Annual Meeting of Stockholders</u>	1
<u>Who Can Vote</u>	2
<u>How Many Votes You Have</u>	2
<u>Matters to Be Considered</u>	2
<u>How to Vote</u>	2
<u>Quorum and Vote Required</u>	3
<u>Revocability of Proxies</u>	3
<u>Solicitation of Proxies</u>	3
<u>Recommendation of the Board of Directors</u>	4
<u>Security Ownership of Certain Beneficial Owners and Management</u>	4
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	6
<u>PROPOSAL I ELECTION OF DIRECTORS</u>	7
<u>Directors and Executive Officers</u>	7
<u>Nominees for Director</u>	7
<u>Continuing Directors</u>	7
<u>Executive Officers of ESSA Bank & Trust Who Are Not Also Directors</u>	8
<u>Corporate Governance and Code of Ethics and Business Conduct</u>	8
<u>Director Independence</u>	9
<u>Board Meetings and Committees</u>	9
<u>Compensation Committee</u>	9
<u>Nominating and Corporate Governance Committee</u>	9
<u>Procedures for the Consideration of Board Candidates Submitted by Stockholders</u>	10
<u>Procedures for the Nomination of Directors by Stockholders</u>	11
<u>Stockholder Communications with the Board</u>	11
<u>Audit Committee</u>	12
<u>Audit Committee Report</u>	12
<u>Transactions with Certain Related Persons</u>	13
<u>Executive Compensation</u>	14
<u>Compensation Committee Interlocks and Insider Participation</u>	14
<u>Compensation Committee Report</u>	14
<u>Compensation Discussion and Analysis</u>	14
<u>Elements of the Compensation Package</u>	15
<u>Long Term Incentives</u>	16
<u>Executive Officer Compensation</u>	17
<u>Director Compensation</u>	19
<u>Benefit Plans and Agreements</u>	20
<u>PROPOSAL II RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	25
<u>Fees Paid to Snodgrass</u>	25
<u>Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Registered Public Accountants</u>	25
<u>Required Vote and Recommendation of the Board</u>	26
<u>STOCKHOLDER PROPOSALS FOR THE 2011 ANNUAL MEETING</u>	26
<u>Advance Notice of Business to be Conducted at an Annual Meeting</u>	26
<u>OTHER MATTERS</u>	26

Table of Contents

ESSA BANCORP, INC.

PROXY STATEMENT FOR THE

2010 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on February 11, 2010

GENERAL INFORMATION

This Proxy Statement and accompanying Proxy Card and the Annual Report to Stockholders are being furnished to the stockholders of ESSA Bancorp, Inc. (sometimes referred to as the Company) in connection with the solicitation of proxies by the Board of Directors of ESSA Bancorp, Inc. for use at the 2010 Annual Meeting of Stockholders. The Annual Meeting will be held on February 11, 2010, at 11:00 a.m., local time, at Stroudsmoor Country Inn, located at RD #4, Stroudsmoor Road, Stroudsburg, Pennsylvania 18360. The term Annual Meeting, as used in this Proxy Statement, includes any adjournment or postponement of such meeting.

This Proxy Statement is dated January 8, 2010 and is first being mailed to stockholders on or about January 8, 2010.

The 2010 Annual Meeting of Stockholders

Date, Time and Place	The Annual Meeting of Stockholders will be held on February 11, 2010, at 11:00 a.m., local time, at Stroudsmoor Country Inn, located at RD #4, Stroudsmoor Road, Stroudsburg, Pennsylvania 18360.
Record Date	December 22, 2009.
Shares Entitled to Vote	14,595,320 shares of ESSA Bancorp, Inc. common stock were outstanding on the Record Date and are entitled to vote at the Annual Meeting.
Purpose of the Annual Meeting	To consider and vote on the election of three directors and the ratification of the appointment of S.R. Snodgrass, A.C. as ESSA Bancorp, Inc.'s independent registered public accountants for the fiscal year ending September 30, 2010.
Vote Required	Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is withheld. The ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN.
Your Board of Directors	
Recommends A Vote in Favor of The Proposals	Your Board of Directors unanimously recommends that stockholders vote FOR the election of each nominee listed in this Proxy Statement and FOR the ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants for the fiscal year ending September 30, 2010.
ESSA Bancorp, Inc.	ESSA Bancorp, Inc., a Pennsylvania-chartered corporation, is the holding company for ESSA Bank & Trust, an FDIC-insured, Pennsylvania-chartered savings association that operates from its main office and 13 full-service banking offices in northeastern

Table of Contents

Pennsylvania. At September 30, 2009, ESSA Bancorp, Inc. had consolidated assets of \$1.04 billion, consolidated deposits of \$408.9 million and consolidated stockholders' equity of \$185.5 million. Our principal executive offices are located at 200 Palmer Street, Stroudsburg, Pennsylvania 18360, and our telephone number is (570) 421-0531.

Who Can Vote

The Board of Directors has fixed December 22, 2009 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting. Accordingly, only holders of record of shares of ESSA Bancorp, Inc. common stock, par value \$0.01 per share, at the close of business on such date will be entitled to vote at the Annual Meeting. On December 22, 2009, 14,595,320 shares of ESSA Bancorp, Inc. common stock were outstanding and held by approximately 2,494 holders of record. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of ESSA Bancorp, Inc. common stock is necessary to constitute a quorum at the Annual Meeting.

How Many Votes You Have

Each holder of shares of ESSA Bancorp, Inc. common stock outstanding on December 22, 2009 will be entitled to one vote for each share held of record. However, ESSA Bancorp, Inc.'s Articles of Incorporation provides that stockholders of record who beneficially own in excess of 10% of the then outstanding shares of common stock of ESSA Bancorp, Inc. are not entitled to any vote with respect to the shares held in excess of that 10% limit. A person or entity is deemed to beneficially own shares that are owned by an affiliate, as well as by any person acting in concert with such person or entity.

Matters to Be Considered

The purpose of the Annual Meeting is to vote on the election of three directors and to ratify the appointment of S.R. Snodgrass, A.C. as our independent registered public accountants for the fiscal year ending September 30, 2010.

You may be asked to vote upon other matters that may properly be submitted to a vote at the Annual Meeting. You also may be asked to vote on a proposal to adjourn or postpone the Annual Meeting. ESSA Bancorp, Inc. could use any adjournment or postponement for the purpose, among others, of allowing additional time to solicit proxies.

How to Vote

You may vote your shares by completing and signing the enclosed Proxy Card and returning it in the enclosed postage-paid envelope or by attending the Annual Meeting. Alternatively, you may choose to vote your shares using the Internet or telephone voting options explained on your Proxy Card. You should complete and return the Proxy Card accompanying this document, or vote using the Internet or telephone voting options, in order to ensure that your vote is counted at the Annual Meeting, or at any adjournment or postponement of the Annual Meeting, regardless of whether you plan to attend. **If you return an executed Proxy Card without marking your instructions, your executed Proxy Card will be voted FOR the election of the three director nominees named in this Proxy Statement and FOR the ratification of the appointment of S.R. Snodgrass, A.C. as our independent registered public accountants for the fiscal year ending September 30, 2010.**

If you are a stockholder whose shares are not registered in your own name, you will need appropriate documentation from the stockholder of record to attend the Annual Meeting. Examples of such documentation include a broker's statement or letter or other documentation that will confirm your ownership of shares of ESSA Bancorp, Inc. common stock. If you want to vote your shares of ESSA Bancorp, Inc. common stock that are held in street name in person at the Annual Meeting, you will need a written proxy in your name from the broker, bank or other nominee who holds your shares.

Table of Contents

The Board of Directors is currently unaware of any other matters that may be presented for consideration at the Annual Meeting. If other matters properly come before the Annual Meeting, or at any adjournment or postponement of the Annual Meeting, shares represented by properly submitted proxies will be voted, or not voted, by the persons named as proxies on the Proxy Card in their best judgment.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of ESSA Bancorp, Inc. common stock is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present. A proxy submitted by a broker that is not voted is sometimes referred to as a broker non-vote.

Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is WITHHELD. The ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN.

Revocability of Proxies

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. You may revoke your proxy by:

submitting written notice of revocation to the Corporate Secretary of ESSA Bancorp, Inc. prior to the voting of such proxy;

submitting a properly executed proxy bearing a later date;

using the Internet or telephone voting options explained on the Proxy Card; or

voting in person at the Annual Meeting; however, simply attending the Annual Meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications regarding the revocation of your proxy should be addressed to:

ESSA Bancorp, Inc.

200 Palmer Street

Stroudsburg, Pennsylvania 18360

Attention: Suzie T. Farley, Corporate Secretary

If your shares are held in street name, your broker votes your shares and you should follow your broker's instructions regarding the revocation of proxies.

Solicitation of Proxies

ESSA Bancorp, Inc. will bear the entire cost of soliciting proxies from you. In addition to the solicitation of proxies by mail, ESSA Bancorp, Inc. will request that banks, brokers and other holders of record send proxies and proxy material to the beneficial owners of ESSA Bancorp, Inc. common stock and secure their voting instructions. ESSA Bancorp, Inc. will reimburse such holders of record for their reasonable expenses in taking those actions. ESSA Bancorp, Inc. has also made arrangements with Laurel Hill Advisory Group to assist ESSA Bancorp, Inc. in soliciting proxies and has agreed to pay them a fee of \$5,500 plus reasonable expenses for these services. If necessary, ESSA Bancorp, Inc. may also use several of its regular employees, who will not be specially compensated, to solicit proxies from stockholders, personally or by telephone, facsimile or letter.

Table of Contents**Recommendation of the Board of Directors**

Your Board of Directors unanimously recommends that you vote **FOR** each of the nominees for director listed in this Proxy Statement and **FOR** the ratification of the appointment of S.R. Snodgrass, A.C. as independent registered public accountants for the fiscal year ending September 30, 2010.

Security Ownership of Certain Beneficial Owners and Management

Persons and groups who beneficially own in excess of five percent of the Company's common stock are required to file certain reports with the Securities and Exchange Commission regarding such beneficial ownership. The following table sets forth, as of December 22, 2009, certain information as to the shares of the Company's common stock owned by persons who beneficially own more than five percent of the Company's outstanding shares of common stock. We know of no persons, except as listed below, who beneficially owned more than five percent of the outstanding shares of the Company's common stock as of December 22, 2009. For purposes of the following table and the table included under the heading "Management," in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, a person is deemed to be the beneficial owner of any shares of common stock (i) over which he or she has, or shares, directly or indirectly, voting or investment power or (ii) as to which he or she has the right to acquire beneficial ownership at any time within 60 days after December 22, 2009.

Name and Address of Beneficial Owner	Number of Shares Owned and Nature of Beneficial Ownership	Percent of Shares of Common Stock Outstanding ⁽¹⁾
Barclays Global Investors UK Holdings LTD 1 Churchill Place Canary Wharf London, England E14 5HP	730,274 ⁽²⁾	5.0%
The ESSA Bank & Trust Employee Stock Ownership Plan Trust First Bankers Trust Services, Inc., Trustee 2321 Kochs Lane Quincy, IL 62305	1,356,579 ⁽³⁾	9.3%
ESSA Bank & Trust Foundation 200 Palmer Street Stroudsburg, Pennsylvania 18360	1,110,900 ⁽⁴⁾	7.6%

(1) Based on 14,595,320 shares of the ESSA Bancorp, Inc. common stock outstanding as of December 22, 2009.

(2) The information is based on a Form 13F filed with the Securities and Exchange Commission on November 12, 2009 by Barclays Global Investors UK Holdings LTD.

(3) This information is based on a Schedule 13G filed with the Securities and Exchange Commission on February 5, 2009 by First Bankers Trust Services, Inc., as Trustee on behalf of ESSA Bank & Trust Employee Stock Ownership Plan Trust. According to the filing, ESSA Bank & Trust Employee Stock Ownership Plan Trust had: (i) sole power to vote or direct the vote of 1,267,908 shares of the Company's common stock; and (ii) shared power to vote or direct the vote of 88,671 shares of the Company's common stock.

(4) The information is based on a Schedule 13G filed with the Securities and Exchange Commission on January 30, 2009 by ESSA Bank & Trust Foundation.

Table of Contents**Management**

The following table sets forth information about the shares of ESSA Bancorp, Inc. common stock owned by each nominee for election as director, each incumbent director, each named executive officer identified in the summary compensation table included elsewhere in this Proxy Statement, and all nominees, incumbent directors and executive officers as a group, as of December 22, 2009.

Names	Position(s) held in the Company	Shares Owned Directly and Indirectly⁽¹⁾	Percent of Class
NOMINEES			
William P. Douglass	Director	42,427 ⁽²⁾	0.29%
Gary S. Olson	Director, President and Chief Executive Officer	247,520 ⁽³⁾	1.69%
William A. Viechnicki, D.D.S.	Director	77,302 ⁽⁴⁾	0.53%
DIRECTORS CONTINUING IN OFFICE			
Daniel J. Henning	Director	81,202 ⁽⁵⁾	0.56%
Frederick E. Kutteroff	Director	51,701 ⁽⁶⁾	0.35%
Elizabeth B. Weekes	Director	32,452 ⁽⁷⁾	0.22%
John E. Burrus	Chairman of the Board	43,831 ⁽⁸⁾	0.30%
John S. Schoonover, Jr.	Director	32,202 ⁽⁹⁾	0.22%
Robert C. Selig, Jr.	Director	88,202 ⁽¹⁰⁾	0.60%
NAMED EXECUTIVES OFFICERS WHO ARE NOT DIRECTORS			
Allan A. Muto ⁽⁸⁾	Executive Vice President and Chief Financial Officer	127,480 ⁽¹¹⁾	0.87%
Robert S. Howes, Jr.	Senior Vice President, Lending Services Division	97,664 ⁽¹²⁾	0.67%
Diane K. Reimer	Vice President, Delivery Systems Division	107,527 ⁽¹³⁾	0.74%
V. Gail Warner	Senior Vice President, Retail Services Division	101,189 ⁽¹⁴⁾	0.69%
All directors and executive officers as a group (15 persons)		1,256,380	8.45%

(1) Based upon 14,595,320 shares outstanding. Includes restricted stock awards.

(2) Includes 400 shares held by Mr. Douglass' child, and 3,600 shares held by Mr. Douglass' spouse. Includes 10,000 shares pledged as security for a loan. Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.

(3) Includes 266 shares held by Mr. Olson's spouse's IRA, 35,670 shares held by Mr. Olson's 401(k) and 3,108 shares held in Mr. Olson's Employee Stock Ownership Plan account. Includes options to purchase 72,169 shares of common stock, which are exercisable within 60 days of the record date.

(4) Includes 33,000 shares held in Dr. Viechnicki's IRA, and 15,000 shares held by Dr. Viechnicki's spouse. Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.

(5) Includes 10,000 shares held as a custodian for Mr. Henning's children and 10,000 shares held by Mr. Henning's spouse. Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.

(6) Includes 10,219 shares held by Mr. Kutteroff's spouse. Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.

(7) Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.

Edgar Filing: ESSA Bancorp, Inc. - Form DEF 14A

- (8) Includes 5,580 shares held by Mr. Burrus' IRA, 3,540 shares held by Mr. Burrus' spouse's IRA and 180 shares held as custodian for Mr. Burrus' grandchildren. Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.
- (9) Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.
- (10) Includes options to purchase 10,825 shares of common stock, which are exercisable within 60 days of the record date.
- (11) Includes 9,267 shares held by Mr. Muto's 401(k) and 3,108 shares held in Mr. Muto's Employee Stock Ownership Plan account. Includes options to purchase 30,655 shares of common stock, which are exercisable within 60 days of the record date.
- (12) Includes 150 shares held by Mr. Howe's child, 121 shares held by Mr. Howe's spouse, 820 shares held by Mr. Howe's IRA, 24,681 shares held by Mr. Howe's 401(k) and 2,511 shares held in Mr. Howe's Employee Stock Ownership Plan account. Includes options to purchase 24,760 shares of common stock, which are exercisable within 60 days of the record date.
- (13) Includes 20,652 shares held by Ms. Reimer's 401(k) and 1,981 shares held in Ms. Reimer's Employee Stock Ownership Plan account. Includes options to purchase 20,044 shares of common stock, which are exercisable within 60 days of the record date.
- (14) Includes 2,600 shares held as custodian for Ms. Warner's child, 1,691 shares held by Ms. Warner's IRA, 19,676 held by Ms. Warner's 401(k) and 2,407 shares held in Ms. Warner's Employee Stock Ownership Plan account. Includes options to purchase 23,581 shares of common stock, which are exercisable within 60 days of the record date.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

The common stock is registered with the Securities and Exchange Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934. The officers and directors of the Company and beneficial owners of greater than 10% of the common stock are required to file reports on Forms 3, 4 and 5 with the Securities and Exchange Commission disclosing beneficial ownership and changes in beneficial ownership of the common stock. Securities and Exchange Commission rules require disclosure in the Company's Proxy Statement or Annual Report on Form 10-K of the failure of an officer, director or 10% beneficial owner of the common stock to file a Form 3, 4, or 5 on a timely basis. Based on the Company's review of ownership reports, Director Weekes and Vice President Reimer each had one Form 4 transaction not filed on a timely basis during the fiscal year ended September 30, 2009 due to administrative error.

Table of Contents

PROPOSAL I - ELECTION OF DIRECTORS

The Board of Directors currently consists of nine (9) members and is divided into three classes, with one class of directors elected each year. Three directors will be elected at the Annual Meeting to serve for a three-year period and until their respective successors have been elected and shall qualify.

The Board has nominated William P. Douglass, Gary S. Olson and William A. Viechnicki, D.D.S. for election as directors, each of whom has agreed to serve if so elected. Please refer to the sections entitled "Directors and Executive Officers" and "Security Ownership of Certain Beneficial Owners and Management" for additional information regarding the nominees.

It is intended that the proxies solicited on behalf of the Board (other than proxies in which the vote is withheld as to the nominees) will be voted at the Annual Meeting FOR the election of the nominees. If the nominees are unable to serve, the shares represented by all such proxies will be voted for the election of such substitute as the Board may recommend. At this time, the Board knows of no reason why the nominees would be unable to serve if elected. Except as indicated herein, there are no arrangements or understandings between the nominees and any other person pursuant to which such nominees were selected.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES LISTED IN THIS PROXY STATEMENT.

Directors and Executive Officers

Following is the business experience for the past five years of each of the Company's directors and executive officers with their ages as of September 30, 2009.

Nominees for Director

William P. Douglass, age 68, has been President of Douglass Enterprises, Inc., doing business as Olde Engine Works Market Place which is an antiques and collectibles co-operative. Mr. Douglass is a graduate of Texas Christian University. Mr. Douglass has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1978.

Gary S. Olson, age 55, has been President and Chief Executive Officer of ESSA Bank & Trust since 2000. Mr. Olson began his career at ESSA Bank & Trust in 1977. Mr. Olson is a graduate of East Stroudsburg University. Mr. Olson has been a director of the Company since its inception and a director of ESSA Bank & Trust since 2000.

William A. Viechnicki, D.D.S., age 65, has been in the private practice of orthodontics in East Stroudsburg, Pennsylvania since 1971. Dr. Viechnicki is a graduate of Pennsylvania State University and Temple University School of Dentistry where he serves as a professor of orthodontics. Dr. Viechnicki has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1981.

Continuing Directors

Terms to Expire Following Fiscal Year 2010

Daniel J. Henning, age 57, is a builder/real estate developer and has been the Owner/President of A.C. Henning Enterprises, Inc., a general contractor of custom built homes, multi-family townhouses and light commercial construction and renovation since 1982. Mr. Henning serves on several public authorities in Monroe County. Mr. Henning has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1995.

Edgar Filing: ESSA Bancorp, Inc. - Form DEF 14A

Frederick E. Kutteroff, age 66, served as President and Chief Executive Officer of Keystone Savings Bank from 1990 until his retirement in 2003. Mr. Kutteroff holds a Certificate of Business Administration from Temple University. Mr. Kutteroff has been a director of the Company since its inception and a director of ESSA Bank & Trust since 2005.

Table of Contents

Elizabeth B. Weekes, age 50, has been a partner in the law firm Bensinger and Weekes, P.A. since 1987. Ms. Weekes' practice focuses on real estate, civil litigation, domestic relations, banking, municipalities and estates. Ms. Weekes is a graduate of Colgate University and Dickinson School of Law. Ms. Weekes has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1998.

Terms to Expire Following Fiscal Year 2011

John E. Burrus, age 70, has served as Chairman of the Board of ESSA Bank & Trust since 1989. In 2005, Mr. Burrus retired as the owner of John E. Burrus Landscape, which designed, sold, installed and maintained landscapes for private homes, and commercial properties in Monroe County, Easton and Scranton, Pennsylvania. Mr. Burrus is a graduate of Rutgers University. Mr. Burrus has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1970.

John S. Schoonover, Jr., age 68, has been a principal in the architectural firm of Schoonover and Vanderhoof, LLC since 1978. He is a licensed architect registered to practice in Pennsylvania, New Jersey, New York and North Carolina. Mr. Schoonover served in the United States Marine Corps from 1962 through 1967. Mr. Schoonover has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1989.

Robert C. Selig, Jr., age 61, has served as President of Selig Construction Company since 1972. Selig Construction Company is in the business of building primary and vacation residences. Mr. Selig is a graduate of West Side Area Vocational/Technical School. Mr. Selig has been a director of the Company since its inception and a director of ESSA Bank & Trust since 1990.

Executive Officers of ESSA Bank & Trust Who Are Not Also Directors

Allan A. Muto, age 49, has been the Executive Vice President and Chief Financial Officer of ESSA Bank & Trust since January 2006. Prior to that time Mr. Muto served as Executive Vice President, Chief Operating Officer beginning in 2001.

Robert S. Howes, Jr., age 56, has been Senior Vice President, Lending Services Division since 2001. Mr. Howes joined ESSA Bank & Trust in 1985 as Vice President, Lending Services Division.

Diane K. Reimer, age 53, has been Vice President, Delivery Systems Division since 1998 and first joined ESSA Bank & Trust in 1983.

V. Gail Warner, age 53, has been Senior Vice President, Retail Services Division since 2009. Previously, Ms. Warner served as Vice President, Retail Services Division since 1999 and first joined ESSA Bank & Trust in 1993.

Thomas J. Grayuski, age 48, has been Vice President, Human Resources Services Division since 2000 and joined ESSA Bank & Trust in 1996.

Corporate Governance and Code of Ethics and Business Conduct

ESSA Bancorp, Inc. is committed to maintaining sound corporate governance principles and the highest standards of ethical conduct and is in compliance with applicable corporate governance laws and regulations.

The Board has adopted a code of ethics for the principal executive officer, principal financial officer, principal accounting officer and all persons performing similar functions. The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct, the avoidance of conflicts of interest, full and accurate disclosure and compliance with all applicable laws, rules and regulations. The code of ethics is available on the Company's website at www.essabank.com. Amendments to and waivers from the code of ethics are disclosed on the Company's website.

Table of Contents

Director Independence

The Board has determined that, except as to Mr. Olson, each member of the Board is an independent director within the meaning of the NASDAQ corporate governance listing standards and the Company's corporate governance policies. Mr. Olson is not considered independent as he is an executive officer of the Company. There were no transactions that the Board of Directors needed to review that are not required to be reported under Transactions With Certain Related Persons, that would bear in the determination of the independence of the directors.

Board Meetings and Committees

The Board of Directors of ESSA Bancorp, Inc. met six times during the fiscal year ended September 30, 2009. The Board of Directors of ESSA Bank & Trust met 11 times during the fiscal year ended September 30, 2009. No director attended fewer than 75% in the aggregate of the total number of Board meetings held and the total number of committee meetings on which he or she served (during the period in which they served) during the fiscal year ended September 30, 2009, including Board and committee meetings of ESSA Bank & Trust. Executive sessions of the independent directors are conducted on a regular basis. Although not required, attendance of Board members at the Annual Meeting of Stockholders is encouraged.

The Company has three standing Board committees: Compensation; Nominating and Corporate Governance; and Audit.

Compensation Committee

The Compensation Committee, consisting of Messrs. Douglass (Chair), Schoonover, Viechnicki and Ms. Weekes, is responsible for human resources policies, salaries and benefits, incentive compensation, executive development and management succession planning. Each member of the Compensation Committee is independent in accordance with the listing standards of the NASDAQ Stock Market. Our Compensation Committee operates under a written charter, which is available at our website at www.essabank.com. The Compensation Committee met two times during the fiscal year ended September 30, 2009.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, consisting of Messrs. Douglass (Chair), Henning, Selig and Burrus and Ms. Weekes, is responsible for identifying individuals qualified to become Board members and recommending a group of nominees for election as directors at each annual meeting of stockholders, ensuring that the Board and its committees have the benefit of qualified and experienced independent directors, and developing a set of corporate governance policies and procedures. The Nominating and Corporate Governance Committee operates under a written charter, which is available at our website at www.essabank.com, and each member of the Nominating and Corporate Governance Committee is independent under the listing standards of the NASDAQ Stock Market. The Nominating and Corporate Governance Committee met one time during the fiscal year ended September 30, 2009.

The Nominating and Corporate Governance Committee identifies nominees by evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are first considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. If any member of the Board does not wish to continue in service, or if the Nominating and Corporate Governance Committee or the Board decides not to re-nominate a member for re-election, or if the size of the Board is increased, the Nominating and Corporate Governance Committee would solicit suggestions for director candidates from all Board members and may