

TRICO BANCSHARES /
Form DEF 14A
April 09, 2010

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**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 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

TriCo Bancshares

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(4) Date Filed:

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TRICO BANCSHARES

TriCo Bancshares
63 Constitution Drive
Chico, California 95973
Phone: (530) 898-0300

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

To Our Shareholders:

On Tuesday, May 25, 2010, TriCo Bancshares will hold its annual meeting of shareholders at its headquarters located at 63 Constitution Drive, Chico, California. The meeting will begin at 5:00 p.m. Pacific Time.

Shareholders who owned shares of our stock at the close of business on March 31, 2010, may attend and vote at the meeting. At the meeting, shareholders will be asked to:

1. Elect twelve directors for terms expiring at the 2011 annual meeting of shareholders.
2. Ratify the selection of Moss Adams LLP as our principal independent auditor for 2010.

3. Attend to any other business properly presented at the meeting.

We do not know of any other business that will come before the meeting. In order to vote without attending the meeting, you may sign and date the enclosed proxy and voting instruction card and return it in the postage prepaid envelope.

A copy of our 2009 annual report is enclosed. We are mailing these proxy materials to shareholders beginning on or about April 9, 2010.

As a shareholder, your vote is important. Whether or not you plan to attend the annual meeting in person, it is important that you vote as soon as possible to ensure that your shares are represented. We request that all shareholders be present at the meeting in person or by proxy to ensure that we have a quorum.

By Order of the Board of Directors,
Alex A. Vereschagin, Jr.

Secretary

Chico, California

April 7, 2010

YOUR VOTE IS IMPORTANT TO TRICO BANCSHARES.

Regardless of whether you plan to attend the meeting in person, we urge you to vote in favor of each of the proposals as soon as possible.

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QUESTIONS AND ANSWERS

1. Q: Why am I receiving these materials?

A: The Board of Directors of TriCo Bancshares is providing these proxy materials to you in connection with its annual meeting of shareholders which will take place on May 25, 2010. As a shareholder, you are invited to attend the meeting and may vote on the proposals described in this proxy statement.

2. Q: What information is contained in these materials?

A: The information included in this proxy statement relates to the proposals to be voted on at the meeting, the voting process, the compensation of our directors and executive officers and certain other required information. Our 2009 Annual Report is also enclosed.

3. Q: Who may vote at the meeting?

A: Only shareholders of record at the close of business on March 31, 2010, may vote at the meeting. As of the record date, 15,860,138 shares of our common stock were issued and outstanding. Each shareholder is entitled to one vote for each share of common stock held on the record date.

4. Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: Most shareholders hold shares through a stockbroker, bank or other nominee rather than directly in their own name. The distinctions between shares held of record and shares owned beneficially are summarized below.

Shareholder of Record

If your shares are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, LLC, you are considered to be the *shareholder of record* of those shares and these proxy materials are being sent directly to you by TriCo. As the *shareholder of record*, you have the right to vote by proxy or to vote in person at the meeting. In that case, we have enclosed a proxy card for you to use.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered to be the *beneficial owner* of shares held *in street name* and these proxy materials are being forwarded to you by your broker or nominee which is considered to be the *shareholder of record* of those shares. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the meeting. If you wish to vote these shares at the meeting, you must contact your bank or broker for instructions. Your broker or bank has enclosed a voting instruction card for you to use in directing the broker or bank how to vote your shares for you.

5. Q: What may I vote on at the meeting?

A: You may vote to elect twelve nominees to serve on our Board of Directors for terms expiring at the next annual meeting and to ratify the selection of Moss Adams LLP as our principal independent auditor for 2010.

6. Q: How does the Board of Directors recommend I vote?

A: The Board of Directors recommends that you vote your shares FOR each of the twelve director nominees named in this proxy statement and FOR ratification of Moss Adams LLP as our principal independent auditor for 2010.

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7. Q: How can I vote my shares?

A: You may vote either in person at the meeting or by appointing a proxy. Please refer to the instructions included on your proxy card to vote by proxy. If you hold your shares through a bank, broker or other nominee, then you may vote by the methods your bank or broker makes available, using the instructions the bank or broker has included with this proxy statement.

8. Q: How are votes counted?

A: In the election of directors, you may vote FOR all of the director nominees or your vote may be WITHHELD with respect to one or more nominees. In addition, under California law and our bylaws, you may cumulate your votes in the election of the directors by following the procedures described at Corporate Governance, Board Nomination and Board Committees Nomination and Election of Directors. If the proxy is marked FOR all of the director nominees or not marked with respect to election of directors, authority will be granted to the persons named in the proxy to cumulate votes if they so choose and to allocate votes among the nominees in such a manner as they determine is necessary in order to elect all or as many of the nominees as possible. You may vote FOR, AGAINST or ABSTAIN on the proposal to ratify the selection of our principal independent auditor.

9. Q: How are abstentions and broker non-votes treated?

A: Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present at the Meeting. Abstentions will not impact the election of directors, but will have the same effect as a vote against the proposal to ratify the selection of our principal independent auditor. Broker non-votes will not be counted as shares voting on the proposals.

10. Q: Can I change my vote?

A: You have the right to revoke your proxy at any time before the meeting by:

providing written notice to TriCo's corporate secretary and voting in person at the meeting, or

appointing a new proxy before the meeting begins.

Attending the meeting will not by itself revoke a proxy unless you specifically revoke your proxy in writing. If you are a beneficial owner, you must follow the instructions provided by your broker, bank or other nominee to change your vote.

11. Q: What if I own shares through TriCo's Employee Stock Ownership Plan and Trust?

A: For present or past employees of TriCo, your proxy includes any shares held in your account under our employee stock ownership plan and trust.

12. Q: What does it mean if I get more than one proxy card?

A: If your shares are registered differently and are held in more than one account, then you will receive more than one card. Be sure to vote all of your accounts so that all of your shares are voted. We encourage you to have all accounts registered in the same name and address. If you are a shareholder of record, you can

accomplish this by contacting BNY Mellon Shareowner Services, LLC, P.O. Box 358016, Pittsburgh, Pennsylvania 15252-8016, telephone 1-800-522-6645.

13. Q: Who may attend the meeting?

A: All shareholders who owned shares of our common stock on March 31, 2010, may attend the meeting. You may indicate on the enclosed proxy card if you plan to attend the meeting.

14. Q: How will voting on any other business be conducted?

A: We do not know of any business to be considered at the meeting other than election of twelve directors and the ratification of Moss Adams LLP as our principal independent auditor for 2010. If any other business is properly presented at the meeting, your proxy gives Richard P. Smith, our president and chief executive officer, and Richard O Sullivan, executive vice president of our subsidiary, Tri Counties Bank, authority to vote on these matters in their discretion.

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15. Q: Where and when will I be able to find the results of the voting?

A: The results of the voting will be announced at the meeting. We will also publish the final results in a report on Form 8-K to be filed with the Securities and Exchange Commission following the meeting.

16. Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within TriCo or to third parties except:

as necessary to meet applicable legal requirements,
to allow for the counting and certification of votes, or
to help our Board solicit proxies.

17. Q: When are shareholder proposals for the 2011 annual meeting due?

A: All shareholder proposals to be considered for inclusion in our proxy statement for the 2011 annual meeting must be received at our principal office by December 8, 2010. Shareholder nominations for directors must be received by our president as described at Corporate Governance, Board Nomination and Board Committees Nomination and Election of Directors.

18. Q: Who will bear the cost of soliciting proxies for the meeting and how will these proxies be solicited?

A: We will pay the cost of preparing, assembling, printing, mailing and distributing these proxy materials, including the charges and expenses of brokers, banks, nominees and other fiduciaries who forward proxy materials to their principals. Proxies may be solicited by mail, in person, by telephone or by electronic communication by our officers and employees who will not receive any additional compensation for these solicitation activities.

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PROPOSALS TO BE VOTED ON AT THE ANNUAL MEETING

1. Election of Directors

Twelve directors will be elected this year for terms expiring at our annual meeting in 2011. Each nominee is currently serving as a director of TriCo. The nominees for election are:

Donald J. Amaral	William J. Casey	Craig S. Compton
L. Gage Chrysler III	John S. A. Hasbrook	Michael W. Koehnen
Donald E. Murphy	Steve G. Nettleton	Richard P. Smith
Carroll R. Taresh	Alex A. Vereschagin, Jr.	W. Virginia Walker

The twelve nominees receiving the most affirmative votes cast at the meeting will be elected as directors assuming a quorum is present. Consequently, any shares not voted at the meeting, whether by abstention or otherwise, will have no effect on the election of directors. If any of the nominees should unexpectedly decline or become unable to serve, the proxies we are soliciting may be voted for a substitute nominee or the Board may reduce the size of the Board.

Brief biographies of the director nominees are found at Board of Directors. These biographies include each nominee's age, business experience and the names of publicly held and certain other corporations of which they are also directors. Unless stated otherwise, each director has been engaged in his present occupation for at least the past five years.

Shareholders may cumulate their votes when electing directors. To do so, you must follow the procedures set forth in our bylaws which are described at Corporate Governance, Board Nomination and Board Committees Nomination and Election of Directors.

The Board recommends a vote FOR the election of all twelve nominees.

2. Ratification of Selection of Principal Independent Auditor

Our audit committee has selected the firm of Moss Adams LLP as our principal independent auditor for 2010. Moss Adams has served as our principal independent auditor since 2007. Representatives of Moss Adams will be present at the meeting and will have the opportunity to make a statement and to answer appropriate questions.

The affirmative vote of a majority of those shareholders present and voting will ratify the selection of Moss Adams as our principal independent auditor. If shareholders fail to ratify the appointment of Moss Adams LLP, the audit committee will reconsider whether or not to retain that firm. Even if appointment is ratified, the audit committee in its discretion may direct the appointment of a different principal independent auditor at any time.

The following audit services were performed by Moss Adams for the year ended December 31, 2009:

- examination of our financial statements and our employee benefit plans,
- services related to our filings with the Securities and Exchange Commission, and
- consultation on matters related to accounting, financial reporting, tax returns, internal controls and regulatory compliance.

Additional information concerning Moss Adams' services for TriCo in 2009 can be found at Principal Independent Auditor and Report of the Audit Committee.

The Board recommends a vote FOR the ratification of Moss Adams LLP as our principal independent auditor for 2010.

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BOARD OF DIRECTORS

The following persons are currently serving as Board members of both TriCo Bancshares and Tri Counties Bank, TriCo's wholly owned subsidiary. They are each nominated for re-election to TriCo's Board. These Board members also serve on committees of the Board of Directors of Tri Counties Bank in addition to the TriCo Board committees discussed below.

William J. Casey

William J. Casey, age 65, has been a director since 1989. He is the chairman of our Board of Directors, chairman of our compensation and management succession committee, chairman of our nominating and corporate governance committee and a member of our audit committee. Mr. Casey has been a self-employed healthcare consultant since 1983. Mr. Casey has an MBA degree from the Andersen School of Management at UCLA. He has served on the audit committees of other public companies.

We have nominated Mr. Casey because we believe that his leadership qualities, knowledge and experience on the boards of other public companies are important to the board's effectiveness and in his role as Chairman. In addition, his knowledge of corporate governance and finance and accounting make him well-suited to serve on our nominating and corporate governance and or audit committees.

Donald J. Amaral

Donald J. Amaral, age 57, has been a director since 2003. Mr. Amaral is chairman of our audit committee and a member of our nominating and corporate governance committee. He was chairman and chief executive officer of Coram Healthcare Corporation, a home infusion therapy company, from 1995 to 1999. Mr. Amaral has a Bachelor's degree in accounting and an MBA degree. Retired since 1999, he served as chief executive officer and chief financial officer of various companies for over 25 years.

We have nominated Mr. Amaral because his education, knowledge and experience allow him to provide the board with insight regarding financial and accounting matters and to serve on our audit committee as an audit committee expert. In addition we believe that his professional experience and leadership qualities contribute to the effectiveness of the board and the committees on which he serves.

L. Gage Chrysler III

L. Gage Chrysler III, age 56, has been a director since 2008. Mr. Chrysler has been with Modern Building, Inc., a construction company, since 1978 and currently serves as its president and chief executive officer. He also serves as a director of the Salvation Army Advisory Board, Mid Valley Title and CSUC Chico Alumni Association, Chico Chapter. Mr. Chrysler has a Bachelor's degree in business specializing in finance.

We nominated Mr. Chrysler because of his leadership experience and community involvement. In addition, his experience in construction allows him to provide valuable insights to board concerning construction lending and the state of the construction industry and real estate markets generally.

Craig S. Compton

Craig S. Compton, age 54, has been a director since 1989. Mr. Compton is a member of our compensation and management succession committee and our nominating and corporate governance committee. He has served as the president, chief executive officer and chief financial officer of AVAG, Inc., an aerial application business, for over 20 years and has been a principal in his family rice farming partnership for over 22 years. Mr. Compton is also the owner of A&P Helicopters, a commercial helicopter business. He is a director of Environmental Alternatives Foster Care Agency.

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We nominated Mr. Compton based on his leadership experience and community involvement. His business background as a chief executive officer, chief financial officer and business owner contribute to his effective service as a board member and as a member of our compensation and management succession committee and our nominating and corporate governance committee.

John S. A. Hasbrook

John S. A. Hasbrook, age 50, has been a director since 2002. Mr. Hasbrook is a member of our compensation and management succession committee and our audit committee and serves as chairman of the director loan committee of Tri Counties Bank. He is active in several agricultural and investment enterprises. He is president of SunWest Wild Rice Co., Inc.; president of Hasbrook-Fetter Farms, Inc.; vice president, marketing of SunWest Foods, Inc., a food marketing company; and serves as an officer for other agricultural-related entities. Mr. Hasbrook also serves as a director of Santa Clara University's Food & Agribusiness Institute, as well as for various charitable and civic organizations. Mr. Hasbrook has a BSC degree in finance and an MBA degree in agribusiness from Santa Clara University. He is a Board Member of Sutter Medical Foundation, a former comptroller of the California Wine Commission and worked as a corporate account officer at Bank of America for three years.

We nominated Mr. Hasbrook because of his experience in the area of finance, marketing and banking. His broad business experience and community involvement provides the board with valuable insights concerning the primary communities in which the bank operates and the agricultural industry in particular.

Michael W. Koehnen

Michael W. Koehnen, age 49, has been a director since 2002. Mr. Koehnen is a member of our compensation and management succession committee and our nominating and corporate governance committee. He owns and operates C.F. Koehnen & Sons, a third-generation family farming and beekeeping company. Mr. Koehnen is also president and owner of Riverwest Processing, an almond processing company.

We nominated Mr. Koehnen because of his leadership experience and knowledge of corporate governance and compensation-related matters. In addition, his involvement in businesses related to agricultural industry allow him to provide valuable insights to the board.

Donald E. Murphy

Donald E. Murphy, age 74, has been a director since 1975. He is the vice chairman of the Board. Mr. Murphy has served as the vice president and general manager of J. H. McKnight Ranch, Inc., a family farming company, for over 40 years. He is also a partner of New Generation Software, a software company, and a partner of Murphy Brothers, a farming operation.

As our longest serving director, Mr. Murphy has extensive knowledge of the bank's operations and has been with us in varying economic climates. Furthermore, his varied business experience is important to his effective service as a board member.

Steve G. Nettleton

Steve G. Nettleton, age 71, has been a director since 2003. He is a member of our audit committee and our nominating and corporate governance committee. Mr. Nettleton was the owner of the Chico Heat professional baseball club from 1996 to 2002 and served as the chairman of the board of directors for North State National Bank from 1982 to 2003 prior to its merger into Tri Counties Bank. He also serves as a member of the Board of Trustees for Enloe Medical Center and as a member of the CSU, Chico Advisory Board.

We have nominated Mr. Nettleton based upon the value we place on his in-depth knowledge regarding the banking business and his involvement in the communities in which the bank is headquartered.

Richard P. Smith

Richard P. Smith, age 52, has been a director since 1999. He has served as the president and chief executive officer of TriCo and the bank since 1999. Mr. Smith joined the bank in 1994 as vice president and chief information officer. He was senior vice president-customer/employee support and control from 1997 until 1998, when he was promoted to executive vice president in the same capacity. Mr. Smith was named president of the bank and executive vice president of TriCo in 1998. Mr. Smith is also a member of both the board of directors and the executive board of the California Bankers Association.

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We have nominated Mr. Smith because we believe that including the president and chief executive officer on the board is important and assists the board in keeping abreast of the TriCo's operations and management's progress on corporate initiatives. Further, Mr. Smith has 16 years of banking experience, including 10 as the bank's Chief Executive Officer. This experience allows him to provide valuable insights to the board concerning the banking industry and the bank in particular.

Carroll R. Taresh

Carroll R. Taresh, age 72, has been a director since 1998. He was executive vice president and chief operating officer of Tri Counties Bank from 1989 until his retirement in 1996. Prior to that, he served in various capacities at United California Bank for ten years. He also serves as president and director of CNT, Inc., a farming operation.

We have nominated Mr. Taresh based on his 30 years of banking experience, including eight years as chief operating officer of Tri Counties Bank. As the bank's former chief operating officer and the president of a local farming company, Mr. Taresh provides the board with valuable insights concerning the banking industry, the primary community in which the bank operates and the agricultural industry, which comprises a significant segment of the bank's customers.

Alex A. Vereschagin, Jr.

Alex A. Vereschagin, Jr., age 74, has been a director since 1975. Mr. Vereschagin is our Board secretary, chairman of the investment and asset/liability committee of Tri Counties Bank and a member of our audit committee. He was chairman of the Board from 1984 to 1999. He is a self-employed farmer and also the secretary and treasurer of Plaza Farms, a family-owned corporation. He is managing partner of the Vereschagin Company, a real estate rental company, and senior partner of Talbot-Vereschagin Ranch, a farming operation. Mr. Vereschagin has a Bachelor's degree in business.

We nominated Mr. Vereschagin because of his leadership experience, including 15 years as chairman of the company. In addition, his business experience and involvement provides the board with valuable insights concerning the primary communities in which the bank operates and the agricultural industry in particular.

W. Virginia Walker

W. Virginia Walker, age 65, has been a director since March 2009. Ms. Walker is the General Manager of the Jamison Group LLC, a consulting group specializing in finance, marketing and strategy for high tech companies. From 2001 to 2007 she held various management positions with Enea AB, a software and services company, where she was most recently Senior Vice President, Corporate Strategy and Marketing.

Our decision to nominate Ms. Walker is primarily based on her marketing, finance and public affairs experience, her management experience gained in large, complex organizations, and her long-standing ties to the community in which the bank is headquartered.

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**CORPORATE GOVERNANCE, BOARD NOMINATION
AND BOARD COMMITTEES**

Corporate Governance

We have long believed that good corporate governance is important to ensure that TriCo is managed for the long-term benefit of our shareholders. We continue to review our corporate governance policies and practices along with provisions of the Sarbanes-Oxley Act of 2002, the rules of the Securities and Exchange Commission and the listing standards of Nasdaq. We have adopted a code of ethics that applies to our principal executive officer, principal financial officer and persons performing similar functions. You can view our code of business conduct, our code of ethics for our principal executive officers and senior financial officers, our audit committee charter, our nominating and corporate governance committee charter and our compensation and management succession committee charter on our website at www.tricountiesbank.com under About Tri Counties Bank Investor Relations Corporate Governance, or receive copies by contacting our corporate secretary in writing at TriCo Bancshares, 63 Constitution Drive, Chico, California 95973, or by telephone at (530) 898-0300.

Board Leadership Structure

The positions of chairman of the Board of Directors and of president and chief executive officer are held by different persons. This has been the case since the Company's inception. We believe that this structure is appropriate for TriCo because it provides segregation of duties between managing the operations of Trico and leadership of our Board. Our chairman also serves as our lead director. We believe that this is appropriate because our chairman is an independent director and the position of chairman is separate from that of executive management.

The Board's Role in Enterprise Risk Oversight

Our Board is responsible for overseeing risk management for the Company. Our management is responsible for the day-to-day management of these risks across the Company.

The full Board engages in periodic discussions related to risk management with executive officers and other employees as the Board deems appropriate. In addition, several Board committees have been assigned oversight responsibility for specific areas of risk and risk management is an agenda topic at regular committee meetings. The committees consider risks within their areas of responsibility. For example, the compensation and management succession committee considers risks that may result from our compensation programs, the loan committee of the bank, which is comprised of member of the Company's board of directors, focuses on risks related to credit and interest rates, and the audit committee reviews and approves the annual plans for the company's and the bank's external audits, internal monitoring and compliance functions. The audit committee also reviews and approves the annual assessment of the Company's enterprise risk management process and considers any need for periodic third-party evaluations of such process. The audit committee has authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to all persons in the Company. The Board also assigns other specific risk-related assessment matters to audit committee from time to time.

Director Independence

We believe that independent directors play an important role in TriCo's corporate governance and are committed to ensuring that at least a majority of our directors are independent. Our corporate governance guidelines provide that a director is independent if he or she does not have a material relationship with TriCo directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with TriCo, and otherwise qualifies as independent under the applicable rules of the Securities Exchange Act of 1934, as amended, and Nasdaq. These independence determinations were based upon a review of all relevant transactions and relationships between TriCo, our senior management and our accountants, on the one hand, and each director and his or her family members, on the other hand.

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Our Board has affirmatively determined that the following ten of our twelve directors are independent as defined by Nasdaq Marketplace Rule 5605(1) and our own corporate governance guidelines: Mr. Amaral, Mr. Casey, Mr. Compton, Mr. Hasbrook, Mr. Koehnen, Mr. Murphy, Mr. Nettleton, Mr. Taresh, Mr. Vereschagin and Ms. Walker. Mr. Smith is not considered independent because of his employment as president and chief executive officer of TriCo. Mr. Chrysler is not considered independent because his construction company has provided services to Tri Counties Bank during the past three years, as described below.

Transactions with Related Persons

Our nominating and corporate governance committee is charged with monitoring and reviewing issues involving potential conflicts of interest and reviewing and approving all related party transactions. We have a policy adopted by our Board of Directors for reviewing transactions between TriCo and our directors and executive officers, their family members and entities with which they have a position or relationship. Our procedures for transactions with related persons are intended to determine whether any such related person transaction impairs the independence of a director or presents a conflict of interest on the part of a director or executive officer. All transactions between TriCo and related persons may be consummated only if our nominating and corporate governance committee approves such transaction in accordance with the procedures set forth in our policy.

We annually require each of our directors and executive officers to complete a questionnaire that seeks information about related person transactions. Our nominating and corporate governance committee and Board of Directors annually review all transactions and relationships disclosed in the questionnaires, and the Board makes a formal determination regarding each director's independence under our corporate governance guidelines.

There have been no transactions or series of similar transactions during 2009, or any currently proposed transaction, to which TriCo was or is to be a party, in which the amount involved exceeded \$120,000 or and in which any of our directors, director nominees, executive officers or any shareholder owning 5% or more of our common stock, or any member of the immediate family or associate of any of the foregoing persons (together, the related parties), had or will have a direct or indirect material interest, except that Mr. Chrysler's construction company, Modern Building Inc., provided construction services to Tri Counties Bank in 2009 for tenant improvements at the bank's new South Chico branch and improvements at several other branches for aggregate payments of \$433,334. Mr. Chrysler owns 51% of Modern Building and serves as its president. The Board believes that these construction services were provided only in accordance with the policy described above.

Indebtedness of Management

Some of our directors, executive officers and their immediate family members and associates are customers of Tri Counties Bank and we expect to have banking transactions with them in the future. The loan committee of Tri Counties Bank reviews the terms and fairness of any loans made by Tri Counties Bank to our directors and officers. In its opinion, all such loans and commitments to lend were made in the ordinary course of our business and complied with applicable laws. Terms, including interest rates and collateral, were substantially the same as those prevailing for comparable transactions with other persons of similar creditworthiness not affiliated with TriCo. In the opinion of our Board of Directors, these transactions did not involve more than a normal risk of collectability or present other unfavorable features. The aggregate amount of all loans and credit extensions outstanding as of December 31, 2009, to all directors and executive officers (including their associates and members of their immediate family) was approximately \$7,482,000, representing 3.7% of shareholders' equity at that time. As of the date of this proxy statement, all of these loans were performing loans.

Board Committees

Our full Board of Directors considers all major decisions. However, we have established three standing committees so that some matters can be addressed in more depth than may be possible in a full Board meeting and to comply with Nasdaq requirements that certain committees be comprised of independent directors: a compensation and management succession committee, a nominating and corporate governance committee and an audit committee. These three committees each operate under a written charter. Following is a description of each of these committees. Our directors also serve on various Board committees for our subsidiary, Tri Counties Bank.

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	Audit Committee member	Compensation and Management Succession Committee member	Nominating and Corporate Governance Committee member
William J. Casey*	X	X (Chairman)	X (Chairman)
Donald E. Murphy*			
Donald J. Amaral*	X (Chairman)		X
L. Gage Chrysler III			
Craig S. Compton*		X	X
John S. A. Hasbrook*	X	X	
Michael W. Koehnen*		X	X
Steve G. Nettleton*	X		X
Richard P. Smith			
Carroll R. Taresh*			
Alex A. Vereschagin, Jr.*	X		
W. Virginia Walker*	X		X

* Determined to be independent as described at Director Independence above.

Audit Committees. We have a standing audit committee of TriCo and a standing audit committee of Tri Counties Bank. The Board has determined that Mr. Amaral is an audit committee financial expert under the rules of the Securities and Exchange Commission and that each member of the committee is financially literate as defined by Nasdaq listing standards and is independent under special standards established by the Securities and Exchange Commission and Nasdaq for audit committee members. Their qualifications and business expertise are described at Board of Directors. TriCo's audit committee monitors:

the integrity of our financial statements, including the financial reporting process and systems of internal controls regarding finance, accounting and legal and regulatory compliance,
our compliance with legal and regulatory requirements,
the independence, qualifications and performance of our financial executives, principal independent auditor and internal auditing department, and
the communication among our principal independent auditor, management, our internal auditing function and the Board.

The committee also annually retains our principal independent auditor and approves the terms and scope of work to be performed. Our audit committee met six times during 2009. For more information on this committee, please see Report of the Audit Committee.

Compensation and Management Succession Committee. The compensation and management succession committee held nine meetings in 2009. The committee considers the recommendations of our management regarding most compensation matters, including executive compensation. For more information on this committee, please see Compensation Discussion and Analysis. This committee:

establishes TriCo's compensation philosophy,
evaluates and approves the compensation levels for our chief executive officer and the other executive officers,
produces annually a compensation discussion and analysis of executive compensation,

administers our stock option plans,
approves the benefits provided to our executive officers and directors, and
establishes and reviews our management succession policies.

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Nominating and Corporate Governance Committee. Our nominating and corporate governance committee met three times in 2009. This committee:

- determines nominees to the Board in the manner described at Nomination and Election of Directors,
- reviews our Board committee structure and members,
- annually evaluates the Board,
- approves any related party transactions as described at Transactions with Related Persons,
- monitors director independence, and
- reviews our corporate governance guidelines and code of business ethics.

Attendance at Meetings

The Board of Directors of TriCo met 14 times and the Board of Directors of Tri Counties Bank met 12 times during 2009. Each director attended at least 75% of the meetings of the Boards of Directors of each of TriCo and Tri Counties Bank and the meetings of the committees of on which they served. In addition, our non-employee directors met once in executive session to discuss our chief executive officer's performance. Executive sessions are chaired by the independent director then serving as lead director. Mr. Casey was our lead director in 2009 and will continue to serve as lead director in 2010.

Our corporate governance guidelines provide that each director is expected to attend our annual shareholders meeting. In 2009, all of our directors attended the annual shareholders meeting, other than Mr. Compton who was unable to attend for reasons relating to his health.

Nomination and Election of Directors

Qualifications. Our nominating and corporate governance committee determines the director nominees for each annual meeting of shareholders using the criteria set forth in our corporate governance guidelines. Our guidelines provide that all directors must be committed to representing the long-term interests of our shareholders and possess:

- the highest personal and professional ethics, integrity and values,
- informed judgment,
- sound business experience,
- the ability to make independent analytical inquiries, and
- an understanding of our business environment.

The committee has not established any specific minimum qualification standards for directors, except that no person may serve as a director who is 75 years of age or older at the time of election. However, the committee may identify certain skills or attributes as being particularly desirable for specific director nominees in order to complement the existing Board composition. To date the committee has identified and evaluated nominees for directors based on several factors, including:

- referrals from our management, existing directors and advisors,
- business or banking experience,
- education,
- leadership abilities,
- professional reputation and affiliation,
- personal interviews, and
- diversity.

We do not currently pay any fee to a third party to identify or evaluate potential director nominees, although we may retain search firms in the future to assist in finding qualified candidates. Our newest director, Ms. Walker, was recommended to the committee by our chairman, Mr. Casey.

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Shareholder Nominations. The committee will consider nominees recommended by shareholders if the recommendation is made with the proposed nominee's consent and includes sufficient information for, and is made early enough to allow, the committee to complete the evaluation process. Section 15 of our bylaws provides that formal nomination for election of directors may be made by the Board of Directors or by any shareholder of any outstanding class of our capital stock entitled to vote for the election of directors. Notice of intention to make any nominations must be made in writing and be delivered or mailed to our president not less than 21 days or more than 60 days prior to any meeting of shareholders called for the election of directors. If less than 21 days' notice of the meeting is given to shareholders, the notice of intention to nominate shall be mailed or delivered to TriCo's president not later than the tenth day following the day on which the notice of meeting was mailed. If notice of the meeting is sent by third-class mail as permitted by Section 6 of the bylaws, no notice of intention to make nominations shall be required. The notification shall contain the following information to the extent known to the notifying shareholder:

- the name and address of each proposed nominee,
- the principal occupation of each proposed nominee,
- the number of shares of capital stock of TriCo owned by each proposed nominee,
- the name and residence address of the notifying shareholder, and
- the number of shares of TriCo stock owned by the notifying shareholder.

Nominations not made in accordance with Section 15 of the bylaws may, in the discretion of the chairman of the meeting, be disregarded. Nominees recommended by shareholders are evaluated in the same manner as other nominees. We have not received any proposals for director nominees from shareholders for this election as of the date of this proxy statement.

Cumulative Voting. Each shareholder may cumulate votes in the election of directors. This means that a shareholder may cast votes for the number of shares owned multiplied by the number of directors to be elected. For example, if you own 1,000 shares, you could cast 12,000 votes because we will be electing twelve directors at the meeting. You could cast those votes for a single candidate or distribute your votes among any or all of the candidates. However, you may not cumulate votes for a candidate unless that candidate has been properly nominated prior to the voting and you have given notice of your intention to cumulate your votes. You must express your intention to cumulate votes at the meeting prior to the election. If any shareholder gives notice to cumulate his shares, all other shareholders shall be allowed to cumulate their votes as well. We will provide an opportunity at the meeting for any shareholder who desires to cumulate votes to announce his intention to do so. We are soliciting, by your proxy, the discretionary authority to vote proxies cumulatively. The twelve nominees receiving the highest number of votes will be elected as directors.

Compensation and Management Succession Committee Interlocks and Insider Participation

No member of our compensation and management succession committee is an officer, former officer or employee of TriCo or Tri Counties Bank. No executive officer of TriCo had any interlocking relationship with any other for-profit entity during 2009, including serving on the compensation committee for any other for-profit entity.

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COMPENSATION OF DIRECTORS

Director Compensation for 2009

The following table summarizes the compensation paid by TriCo to our non-employee directors in 2009:

Change in

An-Cheng Deng
Director, President, Chief Operating Officer, Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Walter Chan
Vice President Software Development Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Jeh-Fu Tuan
Vice President Product Development Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Iouri Feinberg
Vice President Technology Research Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Andrei Tcherniaev
Vice President Simulation Core Technology Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Tammy S. Liu
Chief Financial Officer, Vice President Finance and Administration, Secretary Nassda Corporation

Nassda Corporation

2650 San Thomas Expressway, Santa Clara, California 95051

Bernard Aronson
Director, Nassda Corporation President and Chief Operating Officer, Kilopass Technology Inc.

Kilopass Technology Inc.

3333 Octavius Drive, Suite 101, Santa Clara, California 95054

Yen Son Huang
Director, Nassda Corporation Chief Executive Officer, Chairman of the Board of Directors ForteMedia, Inc.

ForteMedia, Inc.

20111 Stevens Creek Boulevard, Suite 150, Cupertino, California 95014

Edward C. V. Winn
Director, Nassda Corporation Retired

N/A

c/o Nassda Corporation, 2650 San Thomas Expressway, Santa Clara, California 95051

EXHIBITS

Exhibit No.	Description
2.1	Agreement of Merger, dated as of November 30, 2004, by and among Synopsys, Inc., North Acquisition Sub, Inc., a wholly-owned subsidiary of Synopsys, Inc. and Nassda Corporation.
2.2	Form of Voting Agreement (Sang S. Wang, An-Cheng Deng, Walter Chan, Jeh-Fu Tuan, Iouri Feinberg and Andrei Tcherniaev)
2.3	Form of Voting Agreement (Tammy S. Liu, Bernard Aronson, Yen Son Huang and Edward C.V. Winn)