

FIRST COMMONWEALTH FINANCIAL CORP /PA/
Form DEF 14A
March 22, 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 167;240.14a-12

First Commonwealth Financial Corporation

(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)(4) and 0-11.

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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FIRST COMMONWEALTH FINANCIAL CORPORATION

Old Courthouse Square, 22 North Sixth Street

Indiana, Pennsylvania 15701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

First Commonwealth Financial Corporation will hold its annual meeting of shareholders on Wednesday, April 21, 2010, at First Commonwealth Place, 654 Philadelphia Street, Indiana, Pennsylvania. The meeting will begin at 3:00 p.m. At the meeting we will:

1. Elect to the Board of Directors the five nominees set forth in the enclosed Proxy Statement for terms expiring in 2011;
2. Ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010; and
3. Attend to other business, if any, properly presented at the meeting.

Only shareholders who owned stock at the close of business on February 26, 2010 may attend and vote at the meeting or any adjournment.

Your Board of Directors recommends that you vote FOR the election of each of the nominees named in this Proxy Statement as Directors and FOR the ratification of our independent registered public accounting firm.

We are enclosing a copy of First Commonwealth's 2009 Annual Report on Form 10-K with this Proxy Statement. The approximate date this Proxy Statement and proxy card are being mailed is March 19, 2010.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE, SO THAT YOUR SHARES WILL BE REPRESENTED.

By Order of the Board of Directors,

David R. Tomb, Jr.

Secretary

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FIRST COMMONWEALTH FINANCIAL CORPORATION

Old Courthouse Square, 22 North Sixth Street

Indiana, Pennsylvania 15701

PROXY STATEMENT

On Wednesday, April 21, 2010, First Commonwealth Financial Corporation will hold its 2010 annual meeting of shareholders at First Commonwealth Place, 654 Philadelphia Street, Indiana, Pennsylvania. The meeting will begin at 3:00 p.m.

This Proxy Statement contains information and a proxy card relating to the annual meeting and was prepared under the direction of our Board of Directors to solicit your proxy for use at the annual meeting (or any postponement or adjournment of the meeting scheduled in accordance with Pennsylvania law). This Proxy Statement is being mailed to our shareholders on or about March 19, 2010.

INFORMATION ABOUT THE ANNUAL MEETING

Who is entitled to vote at the annual meeting?

Shareholders of record of our common stock at the close of business on Friday, February 26, 2010 are entitled to vote at the annual meeting, or any postponement or adjournment of the meeting scheduled in accordance with Pennsylvania law. As of February 26, 2010, 85,630,991 shares of our common stock, par value \$1.00 per share, were issued and outstanding and entitled to vote at the annual meeting.

What am I voting on?

At the meeting, you will be asked to:

elect to the Board of Directors the five nominees set forth in this Proxy Statement to serve for terms expiring in 2011;

ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010; and

attend to any other business properly presented at the meeting.

How does the Board of Directors recommend I vote on the proposals?

The Board of Directors recommends that you vote as follows:

FOR the election of the persons nominated for election as Director by our Board of Directors; and

FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm.

What is a proxy?

A proxy is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. Since many shareholders are unable to attend the annual meeting in person, it is necessary that a large number of shareholders be represented by proxy. We have designated Douglas Brown, Natalie M. Felix, and Robin L. Shaw as proxies for our 2010 annual meeting of shareholders.

All shares represented by valid proxies will be voted in the manner specified in those proxies.

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How can I vote?

You may vote in person by attending the meeting. You may also vote by proxy using the enclosed proxy card or by submitting your vote by telephone or via the Internet.

To vote by using your proxy card, sign and return your proxy card using the envelope provided with this Proxy Statement. The proxy holders will vote your shares according to your directions. If you sign and return your proxy card without specifying choices, your shares will be voted as recommended by our Board of Directors.

How do I vote by telephone?

If your shares are registered in your name, you may vote your shares over the telephone by accessing the telephone voting system toll-free at 1-866-540-5760 and following the telephone voting instructions. The telephone instructions will lead you through the voting process. You will need the control number that appears on your proxy card to vote when you call. Telephone voting facilities will close at 11:59 p.m. Eastern Time on April 20, 2010.

If your shares are held in the name of a broker, bank or other nominee, you may vote your shares over the telephone by following the telephone voting instructions, if any, that accompany the proxy card you receive from the broker, bank or other nominee.

How do I vote using the Internet?

If your shares are registered in your name, you may vote your shares over the Internet by accessing www.proxyvoting.com/fcf and following the on-screen instructions. You will need the control number that appears on your proxy card to vote when using this web page. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. Internet voting facilities will close at 11:59 p.m. Eastern Time on April 20, 2010.

If your shares are held in the name of a broker, bank or other nominee, you may vote your shares over the Internet by following the voting instructions provided on the voting instruction form that you receive from the broker, bank or other nominee.

How many votes may I cast?

For the election of Directors, you are entitled to cast one vote for each share that you held as of the record date for each candidate nominated. Cumulative voting is not permitted.

For the ratification of the selection of KPMG LLP as our independent registered public accounting firm and any other matter brought before the meeting, you are entitled to one vote for each share that you held as of the record date.

What vote is required to approve each item on the agenda?

The Director nominees will be elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the highest number of votes are elected. Votes that are withheld will be excluded entirely from the vote tally and will have no effect other than for purposes of determining the presence of a quorum.

The affirmative vote of the holders of a majority of our common stock present in person or represented by proxy at the annual meeting is required to ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2010. You may abstain from this proposal, which would have the same effect as a vote against the proposal.

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What is a quorum?

A quorum of the holders of the outstanding shares must be represented for the annual meeting to be held. Our By-Laws require the presence in person or by proxy of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on each matter to be acted on at the annual meeting to establish a quorum. In counting a quorum, we count votes withheld from our Director nominees. We also count abstentions from voting.

What if a quorum is not present at the annual meeting?

If the annual meeting cannot be organized because a quorum is not present, the shareholders present at the meeting will have the power to adjourn the meeting to such time and place as they may determine.

How are broker non-votes counted?

If you hold First Commonwealth shares in a brokerage account, your broker must vote your shares as you instruct. If you do not provide voting instructions to your broker at least 10 days prior to the annual meeting, your broker may vote your shares in its discretion on certain matters in accordance with the rules of the New York Stock Exchange (NYSE). Brokers may exercise discretionary voting authority with respect to the ratification of our independent registered public accounting firm, but they may not exercise discretionary voting authority with respect to the election of Directors. However, where brokers submit proxies but are otherwise prohibited from exercising discretionary authority in voting shares on certain matters for beneficial owners who have not provided voting instructions with respect to such matters (commonly referred to as broker non-votes), those shares will be included in determining whether a quorum is present, but will have no effect on the outcome of such matters.

May I change my mind after voting by proxy?

Yes. You may revoke your proxy at any time before it has been voted by:

submitting a written notice of revocation of your proxy to the Secretary of First Commonwealth, prior to voting at the annual meeting;

submitting a later dated proxy that is received by the Secretary of First Commonwealth prior to the annual meeting; or

appearing at the annual meeting and requesting that your proxy be revoked (however, your appearance at the annual meeting will not of itself constitute a revocation of your proxy).

What does it mean if I get more than one proxy card?

If your shares are registered differently and are in more than one account, you will receive more than one card. Please follow the directions for voting on each of the proxy cards you receive to ensure that all of your shares are voted.

What if I submit a proxy without specifying how to vote?

Unless you otherwise specify in the proxy, your proxy will be voted FOR the election of the persons nominated for election as Director by our Board of Directors, and FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm. Where you have specified how your proxy is to be voted, it will be voted in accordance with your direction.

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What if I participate in First Commonwealth's Employee Stock Ownership Plan?

Shares held in the First Commonwealth Employee Stock Ownership Plan, or ESOP, are held of record by the Trust Division of First Commonwealth Bank as the administrator of the ESOP and are voted by the ESOP's trustee. If you are a participant in the ESOP, you have the right to direct the trustee how to vote the shares that have been allocated to your ESOP account. You will receive a proxy card from our transfer agent with instructions on how to vote your ESOP shares, and the ESOP trustee will vote your ESOP shares as you direct on the proxy card. If you do not submit voting directions, the trustee has discretion to vote your ESOP shares on any matter except the election of Directors.

Who may solicit proxies on First Commonwealth's behalf?

Our Directors, officers and employees may solicit proxies from our shareholders. These persons will not receive any additional compensation for their efforts to solicit proxies. We will request that the notice of annual meeting, this Proxy Statement, the proxy card and related materials, if any, be forwarded to beneficial owners, and we expect to reimburse banks, brokers and other persons for their reasonable out-of-pocket expenses in handling these materials.

Will any business be conducted at the annual meeting other than as specified above?

The Board of Directors knows of no business that will be presented for consideration at the annual meeting other than the matters described in this Proxy Statement and those incidental to the conduct of the meeting. However, if other matters are duly brought before the annual meeting or any adjournments of the meeting, the persons named in your proxy will have the discretion to vote or act on such matters according to their best judgment.

What are the deadlines for shareholder proposals for next year's annual meeting?

If you want to submit a proposal for consideration at our 2011 annual meeting of shareholders, or if you want to submit a proposal for inclusion in our proxy statement for the 2011 annual meeting of shareholders, our By-Laws require you to give us advance notice of your proposal at least 120 days prior to the first anniversary of the date of this Proxy Statement (that is, not later than November 15, 2010). Your notice must include the following information:

a brief description of the matter that you wish to bring before the meeting, your reasons for wishing to bring the matter before the meeting and any material interest that you have in that matter;

a representation that you intend to appear in person or by proxy at the meeting to raise the proposal specified in the notice; and

your name, as it appears in our record books, and the number of shares of our common stock that you own beneficially and of record. Proposals must also comply with the requirements of Securities and Exchange Commission (SEC) Rule 14a-8 in order to be included in our proxy statement.

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The following table sets forth certain information concerning the only persons who have reported to the SEC or have advised us that they are the beneficial owner of more than 5% of the outstanding shares of our common stock.

Name and Address	Number of Shares Beneficially Owned	Percentage of Class
First Commonwealth Bank 601 Philadelphia Street Indiana, PA 15701	5,435,687(1)	6.35%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	6,544,970(2)	7.69%

- (1) Represents the aggregate number of shares held as of February 26, 2010 by the Trust Division of First Commonwealth Bank acting in a fiduciary capacity for various trusts and estates, including the First Commonwealth Employee Stock Ownership Plan and the First Commonwealth 401(k) Retirement Savings and Investment Plan. The Trust Division has either sole or shared voting and investment power on these shares as detailed in the following table:

Total shares on which sole voting power is held:	922,195
Total shares on which voting power is shared:	4,513,492
Total shares on which sole investment power is held:	940,689
Total shares on which investment power is shared:	4,494,998

The Trust Division votes shares over which it has sole voting power. Where voting power is shared, shares are voted in consultation with the other persons having voting power.

- (2) Based on the information provided pursuant to a statement on Schedule 13G filed with the SEC on January 29, 2010 by BlackRock, Inc. reporting the holdings of BlackRock, Inc. and its subsidiaries as of December 31, 2009. According to the Schedule 13G, BlackRock, Inc. or its subsidiaries held sole voting power and sole dispositive power over all of the reported shares.

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The following table sets forth the number and percentage of shares of First Commonwealth's common stock that were beneficially owned by each Director and Director nominee, each of the named executive officers and by all Directors and executive officers as a group, as of February 26, 2010.

Name	Number of Shares Owned(1)	Options Exercisable Within 60 days	Total Beneficial Ownership	Percentage of Shares Outstanding(2)
Julie A. Caponi	17,836	0	17,836	*
Ray T. Charley	256,354	14,000	270,354(3)	*
Teresa M. Ciambotti	192	0	192	*
Julia E. Trimarchi Cuccaro	671,535	0	671,535(4)(5)	*
David S. Dahlmann	32,975	9,000	41,975	*
John J. Dolan	61,227	16,347	77,574	*
Johnston A. Glass	69,777	0	69,777	*
David W. Greenfield	2,500	0	2,500	*
Dale P. Latimer	1,786,006	6,000	1,792,006(6)	2.09%
Edward J. Lipkus, III	6,500	0	6,500(7)	*
Sue A. McMurdy	22,199	35,138	57,337(8)	*
James W. Newill	423,384	14,000	437,384(9)	*
T. Michael Price	78,484	0	78,484	*
Laurie S. Singer	27,625	10,500	38,125(10)	*
David R. Tomb, Jr.	406,571	26,140	432,711(5)(11)	*
Robert J. Ventura	21,674	63,544	85,218	*
All Directors and executive officers as a group (19 persons)	3,608,102	209,837	3,817,939	4.45%

* Less than 1%

- (1) Unless otherwise indicated, shares shown as beneficially owned are held individually by the person indicated or jointly with spouse or children living in the same household, or as trustee, custodian or guardian for minor children living in the same household.
- (2) Percentage ownership is calculated based upon 85,630,991 shares of First Commonwealth common stock outstanding on February 26, 2010. Shares issuable upon exercise of outstanding options that are currently exercisable or will become exercisable within 60 days are treated as outstanding for the purpose of computing the beneficial ownership of the person who holds the options, but not for the purpose of computing the percentage ownership of any other person or group.
- (3) Includes 18,000 shares held in a family trust of which Mr. Charley is a trustee.
- (4) Includes 22,849 shares held by Ms. Cuccaro as custodian for her minor children, 59,304 shares of which Ms. Cuccaro owns jointly through a family corporation, 113,290 shares held by a family trust of which Ms. Cuccaro, as co-trustee, shares voting and investment power, 6,020 shares held by a family member's trust of which Ms. Cuccaro is trustee and has sole voting and investment power, and 113,907 shares held by a limited partnership of which Ms. Cuccaro is a general partner with voting and investment authority.
- (5) Includes 318,876 shares held by County Wide Real Estate, Inc., which is owned 50% by Mr. Tomb and by a trust of which Ms. Cuccaro is a co-trustee and shares voting and investment power.
- (6) Includes 205,000 shares held by Berkshire Securities Corporation, of which Mr. Latimer is a Director and shareholder and excludes 42,524 owned individually by Mr. Latimer's spouse as to which Mr. Latimer disclaims beneficial ownership.
- (7) Mr. Lipkus resigned as our Chief Financial Officer on August 18, 2009. The table above reflects the most current information available to the company regarding shares held by Mr. Lipkus.
- (8) Does not include 115 shares held by a family member for which Ms. McMurdy holds a power of attorney, as to which Ms. McMurdy disclaims beneficial ownership.
- (9) Includes 32,144 shares held by family trusts over which Mr. Newill is sole trustee and has sole voting and investment power.
- (10) Does not include 4,100 shares held in a trust for Ms. Singer's spouse as to which Ms. Singer disclaims beneficial ownership.
- (11) Does not include 528 shares owned individually by Mr. Tomb's spouse as to which Mr. Tomb disclaims beneficial ownership and 205,000 shares held by Berkshire Securities Corporation of which Mr. Tomb is Secretary but does not have or share voting or investment power.

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PROPOSAL 1 ELECTION OF DIRECTORS

Our By-Laws allow the Board of Directors to determine the size of the Board from time to time, subject to a minimum of three and a maximum of twenty-five Directors. The number of Directors is currently fixed at eleven; however, the Board will act to increase the size of the Board to twelve prior to the annual meeting.

Elimination of Our Classified Board

Our Board of Directors is currently divided into three classes. However, in January 2008, the Board approved an amendment to our By-Laws that will eliminate our classified board structure effective as of the 2011 annual meeting of shareholders. As a result of this amendment, the five persons who have been nominated for election to the board of Directors at the 2010 annual meeting will be elected for a one-year term. The terms of all Directors will expire at the 2011 annual meeting of shareholders, and all Directors will be elected annually thereafter.

Nominees for Election to the Board

Upon the recommendation of our Governance Committee, the Board of Directors has nominated the following five persons for election at the 2010 annual meeting of shareholders for terms expiring in 2011:

Julie A. Caponi. Ms. Caponi, age 47, has served as Vice President-Audit of Alcoa Inc., a producer of aluminum and aluminum products that is headquartered in Pittsburgh, Pennsylvania, since 2005, and previously served as Assistant Controller. Before joining Alcoa in 2000, Ms. Caponi was an audit partner at Deloitte & Touche LLP, principally serving clients in the financial services industry. Ms. Caponi joined our Board in 2007 and currently serves on our Audit Committee and Compensation and Human Resources Committee. She is also a Director of First Commonwealth Bank. Ms. Caponi earned a Bachelors of Science Degree in Accounting from the Indiana University of Pennsylvania. She is a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of CPAs. Ms. Caponi's qualifications for service on our Board include her leadership experience and her expertise in financial accounting, auditing and internal controls.

Julia E. Trimarchi Cuccaro. Ms. Cuccaro, age 49, has been a practicing attorney in Indiana, Pennsylvania, since 1986 and has served as Vice President and Assistant Secretary of First Commonwealth Bank since 2004. Ms. Cuccaro joined our Board in 2006 and also serves as a Director of First Commonwealth Bank, First Commonwealth Insurance Agency, Inc. and First Commonwealth Financial Advisors, Inc. Ms. Cuccaro is a member of the Board of Trustees of Seton Hill University and the Board of Trustees of The Kiski School and serves in leadership and oversight roles for numerous other charitable and educational associations. Ms. Cuccaro also serves as Secretary of Foremost Consumer Discount Co., a consumer finance company, Secretary of Valley Conservation Land & Tree Co., a real estate investment company, and General Partner of Valcon, LP, a real estate and investment partnership. She earned a Bachelor of Arts degree from St. Mary's College of Notre Dame and a law degree from Duquesne University. She is a member of the Pennsylvania and Indiana County Bar Associations. Ms. Cuccaro's qualifications for service on the Board include her legal expertise, her oversight and management experience in the financial services industry and her extensive involvement with community, educational and charitable organizations.

David S. Dahlmann. Mr. Dahlmann, age 60, has served as the Chairman of the Board of First Commonwealth Financial Corporation since 2006. He was formerly Vice Chairman of First Commonwealth Financial Corporation from 1999 to 2006, President and Chief Executive Officer of Southwest National Corporation from 1991 to 1999 and President and Chief Executive Officer of Southwest Bank from 1999 until its merger with First Commonwealth Bank in 2002. He was a Director of Southwest National Corporation from 1991 and joined our Board in 1998 upon the completion of our merger with Southwest. Mr. Dahlmann formerly served on the Board of Directors of the Federal Reserve Bank of Cleveland and as Adjunct Professor of Saint Vincent College in Latrobe, Pennsylvania, and he serves as a Director for numerous charitable, educational and

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civic associations. Mr. Dahlmann chairs our Risk Committee and is also a Director of First Commonwealth Bank, First Commonwealth Insurance Agency, Inc. and First Commonwealth Financial Advisors, Inc. He earned Bachelor of Arts and Masters of Business Administration degrees from the Indiana University of Pennsylvania. Mr. Dahlmann's qualifications for Board service include his extensive career as a Director and executive in the financial services industry and his expertise and experience in corporate governance matters.

John J. Dolan. Mr. Dolan, age 53, has served as President and Chief Executive Officer of First Commonwealth Financial Corporation and Chief Executive Officer of First Commonwealth Bank since March 2007. He served as Chief Financial Officer of First Commonwealth Financial Corporation from 1997 until March 2007 and as President of First Commonwealth Bank from March 2007 until November 2007. Mr. Dolan joined our Board in March 2007 and is also a Director of First Commonwealth Bank, First Commonwealth Insurance Agency, Inc. and First Commonwealth Financial Advisors, Inc. He serves on the Board of Directors of the Indiana Regional Medical Center and is past President of the Indiana Chamber of Commerce. Mr. Dolan earned a Bachelor of Science degree from West Liberty University. Mr. Dolan's qualifications for service on our Board include his leadership skills, his financial and accounting expertise and his long career in the financial services industry.

David W. Greenfield. Mr. Greenfield, age 59, has served as Vice President, Secretary and General Counsel of Kennametal, Inc., a global manufacturer of tooling, engineered components and advanced materials consumed in production processes. Prior to joining Kennametal in 2001, Mr. Greenfield was a member of Buchanan Ingersoll P.C., a Pittsburgh-based law firm, focusing on corporate, financial and transactional issues involving public and private companies. He also served as Senior Vice President, General Counsel and Secretary of Meritor Automotive, Inc. and Associate General Counsel of Rockwell International Corporation. Mr. Greenfield earned a Bachelor of Arts degree from the University of Pittsburgh and a law degree from Wake Forest University School of Law. Having practiced law for over 35 years and served in executive capacities for three publicly traded companies, Mr. Greenfield has extensive experience in corporate governance, ethics and compliance matters and the execution of corporate strategy and will be a valuable addition to First Commonwealth's Board of Directors. The nomination of Mr. Greenfield was recommended to the Governance Committee by one of our non-management Directors.

Each Director elected this year will continue in office until a successor has been elected. The Board has no reason to believe that any nominee will be unable to serve. However, if any nominee is unable or unwilling to serve, the persons named in the accompanying proxy card intend to vote for the remainder of those who have been nominated, and, if they deem it advisable, for a substitute nominee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES LISTED ABOVE.

Procedures for Nominating Directors

Our By-Laws require that any shareholder who intends to nominate a candidate for election to the Board of Directors (other than a candidate proposed by First Commonwealth's then existing Board of Directors) must notify the Secretary of First Commonwealth in writing at least 120 days before the anniversary of the date on which First Commonwealth mailed its proxy statement for the previous year's annual meeting (for the 2011 annual meeting, that notification must be received by the Secretary on or before November 15, 2010).

The notification should contain the following information, to the extent known by the shareholder who is submitting the nomination:

The name, address, age and principal occupation of the person being nominated and the number of shares of First Commonwealth stock that he or she owns beneficially and of record;

The name and residence address of the shareholder submitting the nomination, and number of shares of First Commonwealth stock owned by that shareholder;

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The total number of shares that, to the knowledge of the shareholder, will be voted for the proposed nominee;

A description of all arrangements or understandings between the shareholder and the nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the shareholder;

Such other information regarding the nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated by the Board of Directors; and

The signed written consent of the nominee to serve as a Director of First Commonwealth if so elected.
Nominations should be delivered to the Secretary at the following address:

First Commonwealth Financial Corporation

P.O. Box 400

Indiana, Pennsylvania 15701

Attention: Secretary

The Governance Committee will evaluate and consider shareholder nominations using the same criteria as used for nominations submitted by company management or board members, as described below. In making the evaluation, the Governance Committee may seek additional information concerning the nominee from the nominee, the shareholder making the nomination or other sources.

The Governance Committee received notice from shareholders concerning the nomination of three candidates for election to the Board of Directors at the 2010 annual meeting of shareholders. After due consideration of information provided by the nominating shareholders, the Governance Committee declined to recommend these candidates as Company nominees for election to the Board of Directors at the annual meeting.

Criteria for Director Nominees

In considering possible candidates for nomination as a Director, the Governance Committee is guided by the following criteria. Candidates should:

possess a sustained record of high achievement in financial services, business, industry, government, academia, the professions, or civic, charitable or non-profit organizations;

have a reputation for integrity, honesty and adherence to high ethical standards and personal qualities that will help to sustain an atmosphere of mutual respect and collegiality among the members of the Board;

have the strength of character necessary to challenge management's recommendations and actions when appropriate and to confirm the adequacy and completeness of management's responses to such challenges to his or her satisfaction;

understand or demonstrate a commitment to understand First Commonwealth, including our strategic vision, our mix of businesses and our approach to regulatory relations and risk management;

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have a commitment and sufficient time to devote to our affairs, including regularly attending and participating in meetings of the Board and, in the case of non-management Directors, at least one standing committee; and

not have, nor appear to have, a conflict of interest that would impair his or her ability to represent the interests of our shareholders and to fulfill the responsibilities of a Director.

In addition, our Corporate Governance Guidelines prohibit a Director (other than Directors who were first elected to the Board on or before December 31, 2001) from standing for reelection if he or she would be age 70 or older at the time of the election.

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When evaluating an incumbent Director for re-election to our Board, the Governance Committee considers these criteria and also considers the Director's past performance on the Board and any committee, including meeting attendance and participation and the value of his or her contributions to the effectiveness of the Board and its committees.

Consideration of Diversity

The Governance Committee has not adopted a formal diversity policy with regard to the selection of Director nominees. However, when evaluating a candidate for nomination to the Board, the Governance Committee considers how the candidate would contribute to the Board's overall balance of expertise, perspectives, backgrounds and experiences in substantive matters pertaining to the company's business.

Biographical Summaries of Current Directors

Our Board members are persons who we believe have demonstrated leadership skills and have experience and judgment in areas that are relevant to our business. We believe that their ability to challenge management and their dedication to the affairs of the company collectively serve the interests of the company and its shareholders. The following discussion includes biographical information concerning our current Directors and their qualifications for service on our Board. Information concerning the background and qualifications of the Director nominees is set forth above under "Nominees for Election to the Board."

Ray T. Charley. Mr. Charley, age 58, has served as the Chief Executive Officer of Thomi Co., an operator of retail grocery stores in Greensburg, Pennsylvania, since 1983. Mr. Charley served as a Director of Southwest National Corporation from 1989 and joined our Board in 1998 upon the completion of our merger with Southwest. Mr. Charley is a member of our Governance Committee and our Compensation and Human Resources Committee and is also a Director of First Commonwealth Bank. He is a Director of Excelsa Health Holding Co., an operator of hospitals and other health care facilities in Western Pennsylvania, and serves as a Director and in leadership capacities for various charitable organizations. Mr. Charley earned a Bachelor's degree from Duquesne University and a law degree from the Dickinson University School of Law. Mr. Charley's qualifications for service on our Board include his business acumen and his commitment to sound governance and oversight as demonstrated by his extensive experience as a Director in the financial services industry.

Johnston A. Glass. Mr. Glass, age 60, is retired. Mr. Glass has served on our Board since 1986. He was formerly Vice Chairman of First Commonwealth Financial Corporation, and he served as President and Chief Executive Officer of First Commonwealth Bank and its predecessor, NBOC Bank, from 1986 until his retirement in 2005. Mr. Glass is a member of our Compensation and Human Resources Committee and our Risk Committee. He has also served as a Director and officer of numerous civic and non-profit associations and is a past Director of the Pennsylvania Bankers Association. He earned a Bachelor of Science degree from the Pennsylvania State University. Mr. Glass's qualifications for Board service include his extensive leadership experience in the banking industry, his thorough understanding of First Commonwealth and its business and his long history of service as a Director of First Commonwealth and other organizations.

Dale P. Latimer. Mr. Latimer, age 79, is the Chairman of the Board and Chief Executive Officer of R&L Development Company, a heavy construction company in New Alexandria, Pennsylvania, and President and Chief Executive Officer of Derry International Ltd., a mining company. He has served on our Board since 1984. During his 35 years as a Director, Mr. Latimer has chaired our Audit, Compensation and Human Resources and Governance Committees. He is currently a member of our Compensation and Human Resources Committee, our Governance Committee and our Risk Committee and a Director of First Commonwealth Bank. Mr. Latimer also serves on the Board of Directors of New Mexico Banquest Corporation, a bank holding company in Santa Fe, New Mexico. His qualifications for service as a Director include his extensive business experience and his many years of service as a Director in the financial services industry.

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James W. Newill. Mr. Newill, age 75, is Certified Public Accountant licensed in Pennsylvania, Florida and Ohio. He was formerly President of J. W. Newill Company, a certified public accounting firm. Mr. Newill has served as Mayor of Highland Beach, Florida, since March 2008, and was previously Commissioner of Highland Beach, Florida, from 2005 to 2008. Mr. Newill previously served as a Director of Southwest National Corporation from 1978 and joined our Board in 1998 upon the completion of our merger with Southwest. Mr. Newill is a member of our Governance Committee and has chaired our Audit Committee since 2003. He has served as a Director for numerous non-profit organizations over the past 40 years and recently served as a keynote participant for a panel on banking regulation. He earned a Bachelor of Science degree in Business Administration from Saint Vincent College. Mr. Newill's qualifications for service on our Board include his expertise in accounting and financial matters and his extensive experience as a Director of financial services companies.

Laurie Stern Singer. Ms. Singer, age 58, has served as the President of Allegheny Valley Development Corporation, a regional not-for-profit economic development company in Brackenridge, Pennsylvania, since 1983. She formerly served as President of the Allegheny Valley Chamber of Commerce. Ms. Singer was a Director of Southwest National Corporation from 1994 and joined our Board in 1998 upon the completion of our merger with Southwest. She currently chairs our Governance Committee and is also a member of the Audit Committee. Ms. Singer has held leadership positions and has served as a Director for numerous professional associations, educational and community organizations. She has a Bachelor of Arts degree from the University of Michigan and a law degree from Wayne State University. Ms. Singer's qualifications for Board service include her business finance and development expertise, her extensive experience as a Director of financial services compa