

WASHINGTON FEDERAL INC
Form DEF 14A
December 06, 2011

SCHEDULE 14A 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
- 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-11(c) or 240.14a-12

Washington Federal, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

WASHINGTON FEDERAL, INC.
425 PIKE STREET
SEATTLE, WASHINGTON 98101-2334
(206) 624-7930

December 9, 2011

Dear Stockholder:

You are invited to attend our Annual Meeting of Stockholders to be held on Wednesday, January 18, 2012 at 2:00 p.m., Pacific Time, at the Westin Hotel, 1900 5th Ave, Seattle, Washington.

We hope that you will attend the meeting in person, but even if you are planning to come, we strongly encourage you to designate the proxies named on the proxy card to vote your shares. This will ensure that your common stock is represented at the meeting. The proxy statement explains more about proxy voting. Please read it carefully. We look forward to your participation.

If you have any questions, please do not hesitate to contact us.

Sincerely,
Roy M. Whitehead
Chairman, President and
Chief Executive Officer

WASHINGTON FEDERAL, INC.
425 PIKE STREET
SEATTLE, WASHINGTON 98101-2334
(206) 624-7930

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JANUARY 18, 2012

NOTICE IS HEREBY GIVEN that an Annual Meeting of Stockholders of Washington Federal, Inc. (Washington Federal) will be held at the Westin Hotel, 1900 5th Ave, Seattle, Washington, on Wednesday, January 18, 2012 at 2:00 p.m. pacific time, for the following purposes:

1. To elect three directors for a three-year term and one director for a one-year term, to continue until their successors are elected and qualified;
2. To approve, by a non-binding advisory vote, the compensation of Washington Federal's named executive officers;
3. To recommend, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of Washington Federal's named executive officers;
4. To ratify the appointment of Deloitte & Touche LLP as Washington Federal's independent registered public accountants for fiscal 2012; and
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

The proposal for the election of directors relates solely to the election of four (4) directors nominated by the Board of Directors and does not include any other matters relating to the election of directors, including, without limitation, the election of directors nominated by any stockholder of the Company.

The Board of Directors of Washington Federal has fixed November 25, 2011 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. Only those stockholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or at any such adjournment.

By Order of the Board of Directors
Edwin C. Hedlund
Executive Vice President and Secretary
December 9, 2011
Seattle, Washington

YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED REGARDLESS OF THE NUMBER YOU OWN. EVEN IF YOU PLAN TO BE PRESENT, YOU ARE URGED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY IN THE ENVELOPE PROVIDED. IF YOU ATTEND THIS MEETING, YOU MAY VOTE EITHER IN PERSON OR BY YOUR PROXY. ANY PROXY GIVEN MAY BE REVOKED BY YOU IN WRITING OR IN PERSON AT ANY TIME PRIOR TO THE EXERCISE THEREOF.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JANUARY 18, 2012

This Proxy Statement relating to the 2011 Annual Meeting of Stockholders and the Annual Report to Stockholders for the year ended September 30, 2011 are available for viewing, printing and downloading at www.washingtonfederal.com.

WASHINGTON FEDERAL, INC.
PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
January 18, 2012

This Proxy Statement is furnished to the holders of the common stock, \$1.00 par value per share (Common Stock), of Washington Federal, Inc. (Washington Federal or the Company), the parent holding company for Washington Federal, a federally-chartered savings association, in connection with the solicitation of proxies by the Board of Directors of the Company, to be used at the Annual Meeting of Stockholders to be held at the Westin Hotel, 1900 5th Ave, Seattle, Washington, on Wednesday, January 18, 2012 at 2:00 p.m. pacific time, and at any adjournment thereof (the Annual Meeting), for the purposes set forth in the Notice of Annual Meeting of Stockholders. This Proxy Statement is first being mailed to stockholders on or about December 9, 2011.

The proxy solicited hereby, if properly signed and returned and not revoked prior to its use, will be voted in accordance with the instructions provided. If no instructions are specified, the proxy will be voted FOR the persons nominated to be directors by the Board of Directors, FOR the approval of the compensation of Washington Federal's named executive officers, for an advisory vote on the compensation of Washington Federal's named executive officers to be held EVERY YEAR and FOR the ratification of the appointment of Deloitte & Touche LLP as independent registered public accountants for fiscal 2012 and, upon the transaction of such other business as may properly come before the Annual Meeting, in accordance with the best judgment of the persons appointed as proxies. Other than the matters listed on the attached Notice of Annual Meeting of Stockholders, the Board of Directors knows of no additional matters that will be presented for consideration at the Annual Meeting.

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised by: (i) filing written notice with the Secretary of Washington Federal (Edwin C. Hedlund, Washington Federal, Inc., 425 Pike Street, Seattle, Washington 98101); (ii) submitting a duly executed proxy bearing a later date; or (iii) appearing at the Annual Meeting and notifying the Secretary of his or her intention to vote in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Proxies solicited hereby may be exercised only at the Annual Meeting and any adjournment thereof and will not be used for any other meeting.

The Company's fiscal year end is September 30. All references to 2011 and 2010 represent amounts as of September 30, 2011 and September 30, 2010, or activity for the fiscal years then ended, respectively.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Voting Securities

Only stockholders of record at the close of business on November 25, 2011 (the Voting Record Date) will be entitled to vote at the Annual Meeting. On the Voting Record Date, 107,676,710 shares of Common Stock were issued and outstanding, 1,707,456 warrants were outstanding at a strike price of \$17.57 and the Company had no other class of equity securities issued and outstanding. Each share of Common Stock is entitled to one vote at the Annual Meeting on matters other than the election of directors, for which cumulative voting is permitted, as discussed below under "Proposal One: Election of Director Nominees." A majority of the votes entitled to be cast by stockholders represented in person or by proxy is necessary to constitute a quorum.

Vote Required

The election of the Company's directors requires a plurality of the votes represented in person or by proxy at the Annual Meeting. The affirmative vote of the holders of a majority of the total votes cast in person or by proxy at the Annual Meeting is required to (i) approve the resolutions regarding the compensation of Washington Federal's named executive officers, (ii) ratify the appointment of Deloitte & Touche LLP as independent registered public accountants and (iii) approve any other business that properly may come before the Annual Meeting. With respect to the advisory vote on the frequency of stockholder votes on the compensation of Washington Federal's named executive officers, stockholders may vote for "EVERY YEAR," "EVERY TWO YEARS," "EVERY THREE YEARS," or "ABSTAIN." The frequency option that receives the most votes of all the votes cast in person or by proxy at the Annual Meeting is the one that will be deemed approved by the stockholders. Neither abstentions nor broker non-votes will impact the outcome of this proposal.

Because the votes on the non-binding proposals to approve the named executive officer compensation and the frequency of the vote on such compensation are advisory, they will not be binding on the Board of Directors. However, Washington Federal will consider the outcome of the vote when considering future executive compensation arrangements and the frequency of future advisory votes on executive compensation.

Effect of Abstentions and Broker Non-Votes

Stockholders who abstain from voting on any or all proposals and broker non-votes will be included in the number of stockholders present at the Annual Meeting for the purpose of determining the presence of a quorum. Abstentions will not be counted either in favor of or against the election of the nominees or any other proposal. Consequently, abstentions will have no effect on the votes required to approve the nominees for director or the other proposals being considered at the Annual Meeting.

Banks, brokers or other nominees who hold shares of our common stock for a beneficial owner have the discretion to vote on routine proposals when they have not received voting instructions from the beneficial owner of the shares at least ten days prior to the Annual Meeting. A broker non-vote occurs when a bank, broker or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting.

If you are a beneficial owner and you do not provide voting instructions to the bank, broker or other nominee that holds your shares, the bank, broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Banks, brokers and other nominees have the discretion to vote on routine matters, such as the ratification of the selection of our independent registered public accounting firm (Proposal 4), but do not have discretion to vote on non-routine matters such as the election of directors (Proposal 1) or the non-binding advisory proposal on executive compensation (Proposal 2) or the advisory vote on the frequency of stockholder votes on the compensation of Washington Federal's named executive officers (Proposal 3). Therefore, if you do not provide voting instructions to your bank, broker or other nominee, your bank, broker or other nominee may only vote your shares on Proposal 4 and any other routine matters properly presented for a vote at the Annual Meeting. A broker non-vote will not affect the outcome of the vote on Proposals 1, 2 or 3.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of October 1, 2011 with respect to: any person or entity known by Washington Federal to be the beneficial owner of 5% or more of the issued and outstanding Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)		Percentage Ownership	
Perkins Investment Management LLC 311 S. Wacker Dr. Suite 6000 Chicago, Illinois	10,986,991	(3)	10.20	%
Fidelity Management & Research 82 Devonshire Street Boston, Massachusetts	7,600,112	(2)	7.06	%
Sprucegrove Investment Management 181 University Avenue Toronto, Ontario, Canada	5,817,475	(4)	5.40	%

- Pursuant to rules promulgated by the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934, as amended (Exchange Act), a person is considered to beneficially own shares of Common Stock if he or she has or shares: (i) voting power, which includes the power to vote, or direct the voting of the shares; or (ii) investment power, which includes the power to dispose or direct the disposition of the shares. Shares of
- Common Stock subject to options currently exercisable or exercisable within 60 days after October 1, 2011 are considered outstanding for the purpose of computing the percentage ownership of the person holding such options, but are not considered outstanding when computing the percentage ownership of each other person. Except as indicated in the footnotes to this table, each stockholder named in the table has sole voting and investment power for the shares shown as beneficially owned by them.
 - As disclosed on form 13F filed with the SEC by Fidelity Management & Research.
 - As disclosed on form 13F filed with the SEC by Perkins Investment Management LLC.
 - As disclosed on form 13F filed with the SEC by Sprucegrove Investment Management.

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The following table sets forth information regarding the beneficial ownership by shares of Common Stock by each of the (i) directors, (ii) executive officers named in the Summary Compensation Table and (iii) all directors and executive officers as a group.

Name	Title	# of Shares (1) (2)	Percentage Ownership
Derek L. Chinn	Director	223,277	0.21%
Thomas J. Kelley	Director	13,185	0.01
Barbara L. Smith	Director	6,000	0.01
Anna C. Johnson	Director	18,690	0.02
Charles R. Richmond	Director	78,595	(3) 0.07
John F. Clearman	Director	19,333	0.02
James J. Doud, Jr.	Director	11,927	0.01
H. Dennis Halvorson	Director	25,246	0.02
Roy M. Whitehead	Chairman, President and Chief Executive Officer	304,979	(4) 0.28
Liane J. Pelletier	Director	1,000	—
Mark N. Tabbutt	Director	8,000	0.01
Brent J. Beardall	Executive Vice President and Chief Financial Officer	115,003	(5) 0.11
Linda S. Brower	Executive Vice President	117,046	(6) 0.11
Edwin C. Hedlund	Executive Vice President and Secretary	183,072	(7) 0.17
Thomas E. Kasanders	Executive Vice President	24,602	(9) 0.02
Jack B. Jacobson	Executive Vice President	125,205	(8) 0.12
Mark A. Schoonover	Executive Vice President and Chief Credit Officer	45,070	(10) 0.04
Angela D. Veksler	Senior Vice President and Chief Information Officer	17,000	(11) 0.02
All Directors and Executive Officers as a group (18 persons)		1,337,230	(12) 1.24%

1. Number of shares of common stock owned directly or indirectly as of October 1, 2011 .

Pursuant to rules promulgated by the SEC under the Exchange Act, a person is considered to beneficially own shares of Common Stock if he or she has or shares: (i) voting power, which includes the power to vote or direct the voting of the shares; or (ii) investment power, which includes the power to dispose or direct the disposition of the shares. Shares of Common Stock subject to options currently exercisable or exercisable within 60 days after October 1, 2011 are considered outstanding for the purpose of computing the percentage ownership of the person holding such options, but are not considered outstanding when computing the percentage ownership of each other person. Except as indicated in the footnotes to this table, each stockholder named in the table below has sole voting and investment power for the shares shown as beneficially owned by them. This information is based on information furnished by the respective directors and executive officers. The percentage of outstanding shares of Common Stock is based on the 107,676,710 shares of Common Stock issued and outstanding on October 1, 2011, plus the 389,298 options to purchase shares of Common Stock that are exercisable by a director or employee prior to November 29, 2011.

2. Mr. Richmond's ownership includes options to purchase 34,830 shares of Common Stock

Mr. Whitehead's ownership includes 64,000 shares of unvested restricted Common Stock, options to purchase

4. 117,682 shares of Common Stock and 17,738 shares of Common Stock that are held in the Washington Federal Profit Sharing Retirement and Stock Ownership Plan (the Retirement Plan).

5.

Mr. Beardall's ownership includes 33,714 shares of unvested restricted Common Stock, options to purchase 48,647 shares of Common Stock and 12,432 shares of Common Stock held in the Retirement Plan.

Ms. Brower's ownership includes 33,714 shares of unvested restricted Common Stock, options to purchase 50,533 shares of Common Stock and 11,278 shares of Common Stock held in the Retirement Plan. As noted previously,
6 Ms. Brower, as trustee of the Retirement Plan, may be deemed to beneficially own the shares held by the Retirement Plan that are not included in the table other than to the extent of Ms. Brower's interest in the Retirement Plan.

7. Mr. Hedlund's ownership includes 32,000 shares of unvested restricted Common Stock options to purchase 70,802

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shares of Common Stock and 14,417 shares of Common Stock held in the Retirement Plan.

8. Mr. Jacobson's ownership includes 24,000 shares of unvested restricted Common Stock, options to purchase 48,841 shares of Common Stock and 19,610 shares of Common Stock held in the Retirement Plan.

9. Mr. Kasanders's ownership includes 15,000 shares of unvested restricted Common Stock and options to purchase 3,963 shares of Common Stock.

10. Mr. Schoonover's ownership includes 26,500 shares of unvested restricted Common Stock and options to purchase 12,000 shares of Common Stock.

11. Ms. Veksler's ownership includes 14,000 shares of unvested restricted Common Stock and options to purchase 2,000 shares of Common Stock.

12. The percentage of outstanding shares of Common Stock is based on the shares of Common Stock issued and outstanding on October 1, 2011, plus options to purchase 389,298 shares of Common Stock that are exercisable by current and former executive officers as a group prior to November 29, 2011. This includes an aggregate of 75,475 shares held by the Retirement Plan for the benefit of executive officers of Washington Federal. Directors, unless current or former employees of Washington Federal, do not participate in the Retirement Plan. The Retirement Plan is a qualified, defined contribution profit sharing and employee stock ownership plan maintained for all eligible employees of Washington Federal. The shares of Common Stock of Washington Federal held by the Retirement Plan are voted by the trustees of such plan at their discretion, but the disposition of such shares can be directed only by the employee to whose account the shares are allocated. The trustees of the Retirement Plan are Linda Brower, Mike Bush and Robert Zirk, all of whom are employees of Washington Federal.

PROPOSAL ONE: ELECTION OF DIRECTOR NOMINEES

General

The Restated Articles of Incorporation of Washington Federal provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible, and that the members of each class shall be elected for terms of three years and until their successors are elected and qualified, with one of the three classes of directors to be elected each year. The number of directors currently authorized by Washington Federal's Bylaws for the Board of Directors is eleven.

Pursuant to Washington Federal's Restated Articles of Incorporation, at each election of directors every stockholder entitled to vote has the right to vote, in person or by proxy, the number of shares owned by him or her for as many persons as there are directors to be elected. A stockholder may also cumulate his or her votes by giving one candidate as many votes as the number of such directors to be elected multiplied by the number of his or her shares shall equal, or by distributing such votes on the same principle among any number of candidates. Cumulative voting is only applicable if there are more nominees for director than positions to be filled. In the event that cumulative voting is in effect, it is the intention of the persons named in the accompanying proxy to vote cumulatively for the nominees listed in the table that follows to be elected as directors.

At the Annual Meeting, stockholders of Washington Federal will be asked to elect three directors of Washington Federal for a three-year term and one director of Washington Federal for a one-year term, all to continue to serve until their successors are elected and qualified. The Board of Directors, upon the recommendation of the Nominating and Governance Committee, has nominated Liane J. Pelletier, Mark N. Tabbutt and Roy M. Whitehead to a three-year term. The Board of Directors, upon the recommendation of the Nominating and Governance Committee, has nominated John F. Clearman to a one-year term. The purpose of Mr. Clearman being nominated to a one-year term is to provide continuity as the Board brings on new members to fill vacancies created by scheduled retirements by Board members. Each of the nominees currently serve as a director of Washington Federal. There are no arrangements or understandings between the persons named and any other person concerning selection as a nominee for election as a director at the Annual Meeting, and no director or nominee for director is related to any other director or executive officer of Washington Federal by blood, marriage or adoption.

If any person named as nominee should be unable or unwilling to stand for election at the time of the Annual Meeting, the proxies will nominate and vote for any replacement nominee or nominees recommended by the Board of Directors of Washington Federal. Alternatively, under such circumstances, the Board of Directors of Washington Federal may reduce t