

ENTERPRISE FINANCIAL SERVICES CORP  
Form DEF 14A  
March 16, 2016

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  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
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ENTERPRISE FINANCIAL SERVICES CORP  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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  - 4 Date Filed:

ENTERPRISE FINANCIAL SERVICES CORP

150 NORTH MERAMEC  
CLAYTON, MISSOURI 63105

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NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

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The Annual Meeting of Stockholders of Enterprise Financial Services Corp will be held at the Ritz-Carlton Amphitheater, 100 Carondelet Plaza, St. Louis, Missouri 63105 on Thursday, May 5, 2016, at 5:00 p.m. local time, for the following purposes:

1. The election of 11 directors named in the accompanying proxy statement to hold office until the next Annual Meeting of Stockholders or until their successors are elected and have qualified.
2. Proposal A, ratification of the selection of Deloitte & Touche LLP as independent registered public accounting firm.
3. Proposal B, an advisory (non-binding) vote to approve our executive compensation, as disclosed in this proxy statement.

The Board of Directors has fixed the close of business on March 7, 2016 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting.

It is important that your shares be represented and voted at the meeting. You have three options for voting your shares:

1. vote via the Internet,
2. vote via the telephone or
3. complete and return the proxy card sent to you.

For Internet or telephone voting, instructions are printed on the proxy card sent to you. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the accompanying proxy statement.

By Order of the Board of Directors,

Noel J. Bortle, Secretary  
Clayton, Missouri  
March 16, 2016



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ENTERPRISE FINANCIAL SERVICES CORP

150 NORTH MERAMEC

CLAYTON, MISSOURI 63105

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PROXY STATEMENT

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These proxy materials are delivered by the Board of Directors of Enterprise Financial Services Corp (the “Company” or “EFSC”), in connection with the solicitation of proxies to be voted at the 2016 Annual Meeting of Stockholders or any adjournment or postponement thereof. The meeting will be held at the Ritz-Carlton Amphitheater, 100 Carondelet Plaza, St. Louis, Missouri 63105 on Thursday, May 5, 2016 at 5:00 p.m. local time.

This Proxy Statement and the proxy card were first provided to stockholders on or about March 16, 2016.

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QUESTIONS ABOUT THE MEETING AND THESE PROXY MATERIALS

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What may I vote on?

1. The election of 11 directors named in this Proxy Statement to hold office until the next Annual Meeting of Stockholders or until their successors are elected and have qualified.
2. Proposal A, ratification of the selection of Deloitte & Touche LLP as independent registered public accounting firm.
3. Proposal B, an advisory (non-binding) vote to approve our executive compensation, as disclosed in this proxy statement.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED HEREIN, AND A VOTE IN FAVOR OF PROPOSAL B. THE AUDIT COMMITTEE UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF PROPOSAL A.

Who can vote at the meeting? Our Board of Directors has set March 7, 2016 as the record date for the Annual Meeting. All stockholders who owned our common stock at the close of business on the record date may vote at the Annual Meeting. On the record date, there were 20,021,077 shares of common stock outstanding. Shares held as of the record date include shares that are held directly in your name as the stockholder of record and those shares held for you as a beneficial owner through a stockbroker, bank or other nominee.

How do I vote my shares? If your shares are registered directly in your name with our stock transfer agent, Computershare, you are considered a stockholder of record and the beneficial owner of those shares. As a stockholder of record, you have the right to grant your voting proxy directly to the Company, or to vote in person at the meeting. You may submit your proxy by mail, over the internet at [www.proxyvote.com](http://www.proxyvote.com), or via the telephone at 1-800-690-6903.

If your shares are held in a stock brokerage account or by a bank, you are still considered the beneficial owner of those shares, but your shares are said to be held in “street name.” Generally, only stockholders of record may vote in person at

the meeting. If your shares are held in street name, you will receive a form from your broker or bank seeking instruction as to how your shares should be voted. If you desire to vote shares held in street name in person at the meeting, you need to contact your broker and ask how to obtain a “legal proxy” to directly vote such shares.

Internet Availability of Proxy Solicitation and Other Annual Meeting Materials. Rules adopted by the U.S. Securities & Exchange Commission, or SEC, permit us to mail a notice to our stockholders advising that our proxy statement, annual report to stockholders, electronic proxy card and related materials are available for viewing, free of charge, on the Internet. Stockholders may then access these materials and vote over the Internet or request delivery of a full set of materials by mail or email. These rules help us lower the cost of conducting our annual meeting by reducing costs associated with printing and postage.

We will begin mailing the required Notice of Internet Availability of Proxy Materials to stockholders on or about March 16, 2016. The proxy materials will be posted on the Internet, at [www.proxyvote.com](http://www.proxyvote.com), no later than the day we begin mailing the Notice. If

you receive the Notice, you will not receive a paper or email copy of the proxy materials unless you request one in the manner set forth in the Notice.

The Notice of Internet Availability of Proxy Materials contains the following important information:

- The date, time and location of the annual meeting;
- A brief description of the matters to be voted on at the meeting;
- A list of the proxy materials available for viewing on [www.proxyvote.com](http://www.proxyvote.com) and the control number you will use to access the site; and
- Instructions on how to access and review the proxy materials online, how to vote your shares over the Internet, and how to get a paper or email copy of the proxy materials, if that is your preference.

Can I change my vote? Yes. If you are the stockholder of record, you may revoke your proxy at any time before the Annual Meeting by:

- entering a new vote by Internet or telephone;
- returning a later-dated proxy card;
- sending written notice of revocation to the Secretary of the Company; or
- attending the Annual Meeting and voting by ballot.

To change your vote for shares you hold in street name, you will need to follow the instructions provided by your broker or bank.

How are shares of Common Stock voted at the meeting? Each holder of common stock is entitled to one vote for each share of common stock held with respect to each matter to be voted upon.

All shares of common stock represented at the Annual Meeting by properly executed proxies received prior to or at the Annual Meeting which are not properly revoked will be voted at the Annual Meeting in accordance with the instructions indicated on the proxies. If no contrary instructions are indicated, proxies will be voted FOR the election of the Board's director nominees and FOR approval of Proposals A and B.

How many votes are required to elect each director? A plurality of votes cast at the Annual Meeting is required for the election of each director, which effectively means that the 11 persons receiving the most votes will be elected as directors. While directors are elected by a plurality of votes cast, our Board has adopted a majority voting policy for directors. This policy states that in an uncontested election, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election is required to submit his or her resignation to the Board. The Nominating and Corporate Governance Committee of the Board is required to make recommendations to the Board with respect to any such tendered resignation. The Board will act on the tendered resignation within 90 days from the certification of the vote and will publicly disclose its decision, including its rationale. Only votes "for" or "withheld" are counted in determining whether a plurality has been cast in favor of a nominee. If you withhold authority to vote with respect to the election of some or all of the nominees, your shares will not be voted with respect to those nominees indicated. For a "withheld" vote, your shares will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote against that director nominee under our majority voting policy for directors.

How many votes are required to adopt the other proposals? Proposals A and B will be adopted if a majority of the votes cast on the respective proposal are in favor.

How do I vote if my shares are held in a benefit plan? If you are a current or former employee of the Company or one of its subsidiaries and you have any portion of your investment funds allocated to the EFSC Common Stock Fund in the EFSC Incentive Savings Plan ("Savings Plan"), you may instruct the Savings Plan's trustees how to vote the shares

of common stock allocated to your account under the Savings Plan. You will instruct the voting of your stock in the same manner as other stockholders, i.e., by submitting your voting instructions by telephone or through the Internet or by requesting a proxy card to sign and return. Please see the Notice of Internet Availability of Proxy Materials we sent to you or this proxy statement for specific instructions on how to provide voting instructions by any of these methods. Please note that your voting instructions for stock you hold in the Savings Plan must be returned by 11:59 p.m. Eastern Time on May 2, 2016.

What if I don't give specific voting instructions or abstain?

If you indicate a choice on your proxy on a particular matter to be acted upon, the shares will be voted as indicated.

If you are a stockholder of record and you return a signed proxy card but do not indicate how you wish to vote, the shares will be voted in favor of the election as directors of the nominees described in this proxy statement, for the proposals A and B. If you do not return the proxy card, your shares will not be voted and will not be deemed present for the purpose of determining whether a quorum exists.



Under the rules of the New York Stock Exchange, which regulates stock brokers, Proposal A, the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm, is considered a routine matter, and your brokerage firm or other nominee will be entitled to vote your shares in their discretion on this proposal even if you do not provide voting instructions to your broker or other nominee. However, the election of directors and Proposal B-the advisory (non-binding) vote to approve our executive compensation, are not considered routine matters, and brokers will not be permitted to vote on these matters if beneficial owners fail to provide voting instructions. The shares that cannot be voted by brokers on non-routine matters are commonly referred to as "broker non-votes."

Abstentions and broker non-votes (assuming a quorum is present) will have no effect on the election of directors or on Proposals A and B.

Who pays for this proxy solicitation? The Company will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. In addition to solicitation by mail, proxies may be solicited in person or by telephone or by other means by the Company's directors, officers or employees, who will not receive any additional compensation for solicitation activities. The Company has engaged Broadridge Financial Solutions, Inc., for a fee to be determined, to assist in the distribution and tabulation of proxies. The Company will also reimburse brokerage firms and other nominees, custodians and fiduciaries for costs incurred by them in mailing proxy materials to the beneficial owners of common stock as of the record date.

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The date of this Proxy Statement is March 16, 2016.

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**ELECTION OF DIRECTORS**


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The Board of Directors, upon recommendations of its Nominating and Governance Committee, has nominated for election the 11 persons named below. It is intended that proxies solicited will be voted for such nominees. The Board of Directors believes that each nominee named below will be able to serve, but should any nominee be unable to serve as a director, the persons named in the proxies have advised that they will vote for the election of such substitute nominee as the Board of Directors may propose.

Under our mandatory retirement policy, a director is generally required to retire at the next annual meeting of stockholders after reaching age 72, and may not stand for election or re-election thereafter. The Board has approved a waiver of this policy for Mr. Arnold and Mr. Murphy in connection with their nominations for election as a director at the 2016 Annual Meeting of Stockholders.

The following biographical information is furnished with respect to each member of the Board of Directors of the Company, some of whom also serve as directors and officers of one or more of the Company's subsidiaries, including Enterprise Bank & Trust (the "Bank").

There are no family relationships between or among any directors or executive officers of the Company. Except as noted below, none of the Company's directors or executive officers serves as a director of (i) any company other than EFSC that has a class of securities registered under or that is subject to the periodic reporting requirements of the Securities Exchange Act of 1934, or (ii) any investment company registered under the Investment Company Act of 1940. Other than Mr. Benoist, all directors who served for any part of fiscal year 2015 have been determined to be independent as defined in Rule 5605(a)(2) of the NASDAQ stock market.

Name of Nominee	Age	Director Since
Peter F. Benoist	68	2002
John Q. Arnold	72	2015
Michael A. DeCola	62	2007
William H. Downey	71	2002
John S. Eulich	65	2010
Robert E. Guest, Jr.	61	2002
James M. Havel	61	2014
Judith S. Heeter	66	2012
Michael R. Holmes	57	2015
James J. Murphy, Jr.	72	2002
Sandra A. Van Trease	55	2005

The biographies of the nominees below contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experience, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should serve as a director.

James J. Murphy has been a director of the Company since 2002. Since 1982, Mr. Murphy has been the Chairman of Murphy Company, a mechanical specialty contracting firm. Mr. Murphy has been the Chairman of the Board of the Company since 2008 and served as the Lead Independent Director of the Company from November 2005 through

May 2008. Mr. Murphy previously served as a Legal Director of Mark Twain Bancshares until 1996. He is also a past chairman of the St. Louis Regional Business Council and is currently engaged in various community activities. Mr. Murphy has built a successful, private business and brings a long history of entrepreneurship which is the cornerstone of the Company's strategy of focusing on the banking and wealth management needs of privately-held businesses, their owner families and other success-minded individuals.

Peter F. Benoist has been a director of the Company since 2002. Since May 2008, Mr. Benoist has been the President and Chief Executive Officer of the Company. Mr. Benoist was the Executive Vice President and Chairman and Chief Executive Officer of the Bank from October 2002 through May 2008, and served as the Chairman of the Company's Board from November 2005

through May 2008. Mr. Benoist was the Executive Director of the St. Louis Regional Housing and Community Development Alliance from 1999 through 2002. He has over thirty years of public company banking experience as an officer and director and has served on public company boards. Mr. Benoist brings deep knowledge of the Company and its business and is the voice of management on the Board.

John Q. Arnold has been a director of the Company since 2015. Mr. Arnold has been a member of Enterprise Bank & Trust's Board since 2008, and is the chair of the Bank's Credit Committee. Previously, he served for many years in governance at St. John's Mercy Health Care, including as Chair of its Board of Directors, and its FAC Committee, as well as chair of the St. John's Mercy Hospital Board and the St. John's Mercy foundation before joining the Mercy Health System Board in 2012. Mr. Arnold received an AB from Dartmouth College in 1966 and an MBA from the Amos Tuck School of Business Administration at Dartmouth. Mr. Arnold is Board Chair of John Henry Foster Company in St. Louis. He has a substantial background in publicly held bank executive management, with particularly deep experience in credit, finance and risk management. Mr. Arnold also brings longstanding expertise in the health care industry, an important business area for the Company.

Michael A. DeCola has been a director of the Company since 2007. Mr. DeCola has been the President and Chief Executive Officer of HBM Holdings Company since January 2014, and Chief Executive Officer of calcium-based chemical products company Mississippi Lime Company (one of HBM Holdings portfolio companies), from January 1999 until January 2016. Mr. DeCola serves on a private company board in the St. Louis community, was previously the Chairman of the St. Louis Regional Business Council, and currently is the Chairman of the United Way of Greater St. Louis. He brings to the Board executive business experience and connections with the St. Louis business community.

William H. Downey has been a director of the Company since 2002. Mr. Downey served as Executive Vice Chair and Director of Great Plains Energy Incorporated, (NYSE: GXP), an electric utility company from May 2011, until his retirement on August 31, 2011 and President, Chief Operating Officer and director from 2003 to May 2011. Mr. Downey was also the President and Chief Operating Officer of Great Plains Energy's subsidiary, Kansas City Power & Light Company from 2008 to 2011, and served as Chief Executive Officer from 2003 to 2008. In addition, he had served as President and Chief Operating Officer of Greater Missouri Operations, a subsidiary of Great Plains Energy since 2008. He joined the Board of Directors of BPL Global Inc, Ltd. (BPLG), a smart grid technology company, in December, 2011 and resigned with the Company's sale in June 2013. In December 2013 Mr. Downey joined the Board of Versify Solutions, Inc., a software solutions energy asset optimization company. Mr. Downey also provided advisory services to the Kansas City water services department as an employee of Burns and McDonnell Engineering from January 2012 to December 2014. Mr. Downey also serves on the board of a privately held manufacturer of products for oil, utility, and industrial customers. Mr. Downey's broad strategic experience and knowledge of operations along with his experience in a publicly traded utility company and the related experience in regulatory relations at both a federal and state level is an asset for the board.

John S. Eulich has been a director of the Company since 2010. Mr. Eulich was the Chairman and Chief Executive Officer of Aspeq Holdings, Inc. (dba INDEECO), a manufacturing company, from 2005 through 2015. He had been President & CEO of Mark Andy, Inc. (owned by Dover Corporation) from 1985-2003. He has been a member of the Enterprise Bank & Trust Board of Directors since July 2009. Since 2005, Mr. Eulich has also been a director of LMI Aerospace, Inc. (NASDAQ: LMIA) where he currently serves as Chairman of the Corporate Governance and Nominating Committee, and is a member of LMIA's Audit Committee and Compensation Committee. In addition to his public company experience, he is a successful entrepreneur and familiar with the needs of privately-held businesses. He also is engaged in the St. Louis community through various boards.

Robert E. Guest, Jr. has been a director of the Company since 2002. Since 2007, Mr. Guest has been a partner at The Affinity Law Group. Mr. Guest was a partner at Doster Mickes James Ullom Benson & Guest, LLC, a law firm, from

2005 through 2007, and prior to that he was a partner at the law firm of Benson & Guest LLP, from 1986 through 2005. Mr. Guest brings significant legal experience in commercial activities and merger and acquisitions. He is also very familiar with the St. Louis and Kansas City business communities.

James M. Havel was appointed to the Board on March 6, 2014. Beginning January 1, 2015, Mr. Havel was named Executive Vice President and Chief Financial Officer, and in September 2015, Mr. Havel was named Executive Vice President-Finance of Express Scripts Holding Company, a Fortune 25 Pharmacy Benefits Management company. Beginning in April 2011 and through December 31, 2014, Mr. Havel served as the Chief Financial Officer of Major Brands Holdings, a prominent St. Louis-based wholesaler of premium wine and spirits, craft beer and non-alcoholic beverages. As an independent management consultant from July 2010 through April 2011 with Havel Associates, LLC, Havel advised public and private companies on acquisitions and strategic planning. Prior to July 2010, Mr. Havel was a partner with Ernst & Young LLP. He brings extensive financial experience in both public and private company environments. Mr. Havel's public accounting background also provides him with insight into the broad range of businesses and industries the Company serves.

Judith S. Heeter has been a director of the Company since 2012. Since February 2011, Ms. Heeter has served as president of Pathfinder Consulting, LLC, a consulting company based in Mission Hills, Kansas which she founded. From 1990 to 2010, Ms. Heeter served as Director of Business Affairs and Licensing for the Major League Baseball Players Association. Also from 1989 until February 2011, Ms. Heeter was a partner with the law firm of Polsinelli Shugart P.C. Ms. Heeter currently serves on the Board of Directors of Missouri Employers Mutual Insurance Company, serving as Chairperson since December 2011. She also serves on several non-public boards in the Kansas City metro area. Ms. Heeter brings a variety of executive and legal experience to the Board, including having practiced as an attorney for over 30 years. She is experienced in negotiating and implementing strategic business transactions and reorganizations, and she is a Governance Fellow certified by the National Association of Corporate Directors. She also has a significant business network within the Kansas City community.

Michael R. Holmes has been a director of the Company since 2015. Since February 2016, he has served as Chairman of the Board for Rx Outreach, Inc, a non-profit pharmacy that dispenses more than 30,000 months of medicine each week to low income individuals across the United States. Previously, he served as President of Rx Outreach, Inc from October 2010 through January 2016. Prior to that, he served as Executive Vice President of Express Scripts from December 2005 through October 2010, responsible for Corporate Strategy, Research and Clinical Services, Human Resources, Corporate Real Estate, Security, Procurement, and all of its domestic subsidiary businesses. Prior to Express Scripts, Mr. Holmes was a partner at Edward Jones. He has broad public company senior management experience as well as consumer financial and investment expertise. Mr. Holmes also brings to the Company a valuable perspective on community engagement and underserved markets.

Sandra A. Van Trease has been a director of the Company since 2005. Since 2004, Ms. Van Trease has been the Group President of BJC HealthCare, a not-for-profit operator of hospitals and the largest healthcare institution in the St. Louis area. Ms. Van Trease was President and Chief Executive Officer at UNICARE, an operating unit of Well Point Inc., a health insurance company, from 2002 through 2004, and she was President, Chief Financial Officer and Chief Operating Officer of RightChoice, a health insurance company, from 2000 through 2002. Ms. Van Trease has been a director of Peabody Energy (NYSE: BTU) since 2002, where she has served as a member of their Audit Committee, and as a member and is currently chair of their Health, Safety, Security and Environmental Committee. Ms. Van Trease is also a Certified Public Accountant. Ms. Van Trease's executive management and experience at these institutions together with her service on other publicly-traded company boards and strong community service make her a valued advisor and highly qualified to serve on our board and its committees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE INDIVIDUALS LISTED ABOVE FOR ELECTION AS DIRECTORS OF THE COMPANY.

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## BOARD AND COMMITTEE INFORMATION

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The Board of Directors has determined that having an independent director serve as Chairman of the Board is in the best interest of stockholders at this time. The structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board.

The Board is actively involved in oversight of risks that could affect the Company. This oversight is conducted primarily through committees of the Board, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees, but the full Board has retained responsibility for general oversight of risks. The

Board satisfies this responsibility through reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within the Company.

All Committee members are appointed by the Board. In addition, the Board has established membership standards for each committee which requires that a certain number of committee members must be "independent directors," as that term is defined in Rule 5605(a)(2) of the NASDAQ rules.

The Board met six times in 2015. All directors attended at least 75% of all meetings of the full Board and of those committees on which they served in 2015. The Company's Board of Directors periodically held executive sessions of the members of the Board who met the then current standards of independence. Executive sessions of the Board were presided over by the Chairman. While there is no formal policy concerning director attendance at the annual meeting, all members of the Board are encouraged to attend if reasonably able to do so. All 11 of the then current members of the Board attended the 2015 annual meeting.

## DIRECTOR COMPENSATION

The following table sets forth compensation paid to each of the Company's non-employee directors during 2015.

Name	Fees Earned or Paid in Cash (\$)(a)	Stock Awards (\$)	Total Annual Compensation (\$)
John Q. Arnold	22,045	19,205	41,250
Michael A. DeCola	35	46,715	46,750
William H. Downey	20,794	15,706	36,500
John S. Eulich	12,219	41,731	53,950
Robert E. Guest, Jr.	33,616	17,334	50,950
James M. Havel	53	30,447	30,500
Judith S. Heeter	8,553	36,197	44,750
Michael R. Holmes (b)	27	12,473	12,500
Birch M. Mullins (c)	3,026	38,724	41,750
James J. Murphy, Jr.	14	74,986	75,000
Brenda D. Newberry (d)	5,000	5,000	10,000
Sandra A. Van Trease	65	41,435	41,500

(a) Includes fractional shares paid in cash.

(b) Mr. Holmes joined the Board of Directors in November 2015.

(c) Mr. Mullins will not stand for re-election at the 2016 Annual Meeting of Stockholders.

(d) Ms. Newberry did not stand for re-election at the Company's May 2015 meeting.

In 2015, non-employee Directors received a \$20,000 annual retainer and \$1,250 per board meeting attended. For Committee service, the Chairpersons received an additional retainer as follows: Audit Committee (\$10,000), Compensation Committee (\$8,000) and Nominating and Governance Committee (\$6,000). Non-Chairperson committee members receive \$1,000 per committee meeting attended. Chairman Murphy received only an annual fee of \$75,000.

Directors also receive attendance fees and stipends for service on the Board of Directors of Enterprise Bank & Trust and representing the holding company board on other committees and on the Bank's advisory boards. In 2015, Mr. Arnold received cash fees of \$18,000 and Mr. Eulich received cash fees of \$12,200 for their services on the Bank's board of directors. Mr. Downey and Ms. Heeter each received cash fees of \$2,000, for their service on the Bank's Kansas City Regional Advisory Board. Mr. Guest received a stipend of \$10,200 for his service as Chairperson of the Clayton Advisory Board, and \$2,000 for his service on the Bank's Kansas City Regional Advisory Board.

Directors select whether to receive their holding company board compensation in 100% common stock or 50% cash / 50% common stock. Shares issued are calculated using the fair value on the date of payment and are not subject to vesting requirements. The shares are issued under the stockholder approved Stock Plan for Non-Management Directors.

## EXECUTIVE COMMITTEE

The Executive Committee is empowered to act on behalf of, and to exercise the powers of, the full Board of Directors in the management of the business and affairs of the Company when the full Board of Directors is not in session, except to the extent limited by applicable Delaware law. The charter for the Executive Committee may be found in the investor relations section of the Company's website at [www.enterprisebank.com](http://www.enterprisebank.com). All actions by the committee are



reported at the next regular Board of Directors meeting. In addition, approved Executive Committee minutes are shared with all Directors. In 2015, the committee met six times.

The Committee consists of six members, including five non-employee directors who are “independent directors” as defined in the NASDAQ standards. For 2015, the independent members of the Executive Committee consisted of Directors Murphy (Committee Chairman), DeCola, Van Trease, Heeter, and Eulich. The non-independent member of the Committee was Director Benoist.

## AUDIT COMMITTEE

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors by reviewing all audit processes and fees, the financial information provided to the stockholders and the Company's systems of internal financial controls. The Audit Committee has the authority and responsibility to select and evaluate and, where appropriate, replace the Company's independent registered public accounting firm (the "independent auditors").

The Audit Committee is responsible for oversight of Company risks relating to accounting matters, financial reporting, legal and regulatory compliance and the Company's anonymous "whistleblower" reporting system. To satisfy these oversight responsibilities, the Committee separately meets regularly with the Company's chief financial officer, its director of internal audit, Deloitte & Touche LLP and management. The Committee chair periodically meets between formal Committee meetings with the Company's chief financial officer, its director of internal audit, and Deloitte & Touche LLP. The Committee also receives regular reports regarding issues such as the status and findings of audits being conducted by the internal and independent auditors, the status of material litigation, accounting changes that could affect the Company's financial statements and proposed audit adjustments.

All members of the Audit Committee meet the NASDAQ independence standards. In 2015, the Audit Committee consisted of Directors Van Trease (Committee Chairperson), Arnold, Guest, Downey, and Havel. The Audit Committee met five times in 2015.

The Board of Directors has determined that Directors Guest, Havel, and Van Trease satisfy the requirements of an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K and satisfy the definition of "financially sophisticated" under NASDAQ Rule 5605(c).

The Company's Board has determined that none of the Directors on the Audit Committee have a relationship with the Company or the Bank that would interfere with the exercise of independent judgment in carrying out their responsibilities as director. None of them is, or have been for the past three years, an employee of the Company or the Bank, and none of their immediate family members is, or have for the past three years, been an executive officer of the Company or the Bank.

As noted in the Audit Committee's charter, which is available in the investor relations section of the Company's website at [www.enterprisebank.com](http://www.enterprisebank.com), the Company's management is responsible for preparing the Company's financial statements. The Company's independent auditors are responsible for auditing the financial statements. The activities of the Audit Committee are in no way designed to supersede or alter those traditional responsibilities. The Audit Committee's role does not provide any special assurances with regard to the Company's financial statements, nor does it involve a professional evaluation of quality of audits performed by the independent auditors. The Audit Committee reassesses the adequacy of the charter on an annual basis.

The Audit Committee has considered whether the provision by Deloitte & Touche LLP of the services covered by the audit fees is compatible with maintaining Deloitte & Touche LLP's independence and concluded that it is compatible. The Audit Committee is responsible for pre-approving all auditing services and permitted non-auditing services to be performed by the Company's independent auditors. The Chairperson of the Audit Committee has authority to approve in advance all audit or non-audit services to be performed by the independent auditors, but must report any such approval to the full Audit Committee at the next regularly scheduled meeting.

The Report of the Audit Committee appears on page 35 of this Proxy Statement.

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee assists the Board in identifying and recommending qualified director nominees for election at the stockholders' annual meeting. The charter for the Nominating and Corporate Governance Committee may be found in the investor relations section of the Company's website at [www.enterprisebank.com](http://www.enterprisebank.com). The Committee also recommends membership on Board committees, reviews and assesses the Company's governance guidelines, policies and practices, and oversees an annual Board self-evaluation.

All members of the Committee meet the NASDAQ independence standards. Nominating and Corporate Governance Committee members for 2015 were Directors Heeter (Committee Chairperson), DeCola, Mullins, and Murphy. The Committee met four times in 2015.

The Nominating and Corporate Governance Committee may consider candidates for Board membership coming to its attention through current Board members, search firms, stockholders and other persons. The Nominating and Corporate Governance Committee identified Mr. Holmes and recommended him for election to the Board. Suggestions for nominees from stockholders are evaluated in the same manner as other nominees. Any stockholder nomination must be submitted in writing to the Secretary,

Enterprise Financial Services Corp, 150 North Meramec, Clayton, Missouri 63105 and should include the stockholder's name, address and number of the Company's shares owned by the stockholder along with the nominee's name and qualifications in accordance with the procedures set forth in our bylaws, as described in Proposals of Stockholders on page 36. No stockholder has properly nominated anyone for election as a director at the Annual Meeting.

There is no fixed process for identifying and evaluating potential candidates to be nominees for directors, and there is no fixed set of qualifications that must be satisfied before a candidate will be considered. Rather, the Nominating and Corporate Governance Committee has the flexibility to consider such factors as it deems appropriate. These factors may include education, diversity, experience with business and other organizations comparable with EFSC, the interplay of the candidate's experience with that of other members of the Board of Directors, and the extent to which the candidate would be a desirable addition to the Board of Directors and to any of the committees of the Board of Directors. The Nominating and Corporate Governance Committee will evaluate nominees for directors submitted by stockholders in the same manner in which it evaluates other director nominees.

Stockholders may communicate directly to the Board of Directors, including individual directors, by sending a letter to the Board at: Enterprise Financial Services Corp Board of Directors, 150 North Meramec, Clayton, Missouri 63105. All communications directed to the Board of Directors will be received and processed by the Secretary of the Company and will be transmitted to the Chairperson of the Nominating and Corporate Governance Committee without any editing or screening.

#### COMPENSATION COMMITTEE

The Compensation Committee consists of Directors DeCola (Committee Chairman), Eulich, Holmes, Mullins, and Murphy. The Compensation Committee met seven times in 2015. The Compensation Committee is comprised solely of non-employee directors, all of whom the Board has determined are independent pursuant to the NASDAQ rules. The responsibilities of the Committee are set forth in its charter, which is available in the investor relations section of the Company's website at [www.enterprisebank.com](http://www.enterprisebank.com), and includes the responsibility for establishing, implementing and continually monitoring compliance with the Company's compensation philosophy. Members of the Committee are outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986. During fiscal year 2015, no Member was an executive officer of another entity on whose compensation committee or board of directors an executive officer of the Company served.

The Compensation Committee is responsible for risks relating to employment policies and the Company's compensation and benefits systems. To assist it in satisfying these oversight responsibilities, the Committee has retained its own compensation consultant and meets regularly with management and with outside counsel to understand the financial, human resources and stockholder implications of compensation decisions being made.

The Compensation Committee Report appears on page 21 of this Proxy Statement.

#### RISK COMMITTEE

The Risk Committee assists the Board in carrying out its responsibilities with respect to the comprehensive oversight of the types and levels of risk being incurred by the organization, and the effectiveness of the methods used to identify, monitor, manage, and report those risks. The charter for the Risk Committee may be found at the Company's website at [www.enterprisebank.com](http://www.enterprisebank.com).

The responsibilities of the Risk Committee are to review the Company's Risk Appetite Statement and Risk Tolerances, evaluate the Company's risk priorities, and to monitor and evaluate the Company's risk profile as determined by management. Also, the Risk Committee oversee the composition and activities of the Bank's Operational Risk Committee ("ORC").

All members of the Committee are non-employee directors or other non-director, non-employee individuals. The Risk Committee in 2015 consisted of Directors Arnold (Committee Chairman), Downey, Guest, and Mullins, and three other non-directors, non-employees. The Committee met four times in 2015.

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**EXECUTIVE OFFICERS**


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**EXECUTIVE OFFICERS OF THE REGISTRANT**

The executive officers of the Company, as of March 7, 2016, are as follows:

Name	Age	Principal Business Occupation During the Past Five Years
Peter F. Benoist	68	President and Chief Executive Officer of Enterprise Financial Services Corp since May 2008. President, Enterprise Bank & Trust since April 2013. Executive Vice President, Director of Commercial Banking & Wealth Management from May 2012 through April 2013. Senior Vice President, Senior Loan Officer and President of the St. Louis Region, Enterprise Bank & Trust from January 2009 through May 2012.
Scott R. Goodman	52	Executive Vice President, Chairman and Chief Credit Officer of Enterprise Bank & Trust since April 2003.
Stephen P. Marsh	60	Senior Vice President and Controller of Enterprise Financial Services Corp since March 2012. Controller of Corizon Health, Inc. from July 2010 through March 2012.
Mark G. Ponder	45	Executive Vice President and Chief Operating Officer of Enterprise Financial Services Corp and Enterprise Bank & Trust since October 2013. Executive Vice President and Chief Financial Officer of Enterprise Financial Services Corp from June 2001 through October 2013.
Frank H. Sanfilippo	53	Executive Vice President and Chief Financial Officer of Enterprise Financial Services Corp and Enterprise Bank & Trust since October 2013. Executive Vice President and Chief Accounting Officer of National Penn Bancshares, Inc. from February 2010 through October 2013.
Keene S. Turner	36	Senior Vice President and Head of Human Resources of Enterprise Bank & Trust since February 2014. Vice President of Talent Management & Organization Development of Corizon Health, Inc. from August 2012 through February 2014. Senior Director of Human Resources of Corizon Health, Inc. from October 2008 through August 2012.
Loren E. White	59	

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**EXECUTIVE COMPENSATION**


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**COMPENSATION DISCUSSION AND ANALYSIS**

This section provides information regarding our compensation programs for our Chief Executive Officer, Chief Financial Officer and the three most highly compensated other executive officers (our "Named Executive Officers") for fiscal year 2015, including our overall compensation philosophy, components of compensation that we provide, and the objectives and intended incentives of our compensation programs. Our "Named Executive Officers" for fiscal year 2015 were as follows:

Name	Title	Age
Peter F. Benoist	President and Chief Executive Officer	68
Keene S. Turner	Executive Vice President and Chief Financial Officer	36
Scott R. Goodman	President - Enterprise Bank & Trust	52
Stephen P. Marsh	Executive Vice President, Chairman and Chief Credit Officer - Enterprise Bank & Trust	60
Frank H. Sanfilippo	Executive Vice President - Chief Operating Officer	53

**Compensation Objectives**

**Principles.** Our compensation philosophy is to provide competitive compensation that rewards executives for performance and management of risk. We develop and administer compensation programs consistent with the following principles:

- Compensation will include a substantial performance-based component which is:
  - based on clearly defined goals;
  - aligned with measurable business results, appropriate risk management and increase in stockholder value; and
  - linked to successful implementation of our business plan.
- Compensation is designed to attract, motivate and retain valuable performers.
- Compensation will be fair and competitive based on market data.

**Alignment.** We believe our compensation system is operating consistent with these principles and that our executive compensation is aligned with the Company's performance. Mr. Benoist's total compensation, as measured in the Summary Compensation Table, has been reasonably correlated with performance of our stock, based on its year end closing price.

Stockholder Approval. Our stockholders have consistently approved our executive compensation program by high margins in every stockholder advisory vote on executive compensation that we have conducted. Last year, stockholders approved our executive compensation program by a ratio of 97.8% of votes cast. These votes are advisory and not binding upon the Committee, however the Committee takes the outcome of the votes into consideration in making executive compensation decisions. The Committee works with management and its outside advisors to provide improved disclosure of our executive compensation program in the Company's proxy statements.

#### Overview of the Compensation Process

The Compensation Committee of the Board of Directors (the "Committee") administers the Company's executive compensation programs under the authority of its charter. The Committee has responsibility for establishing, implementing and monitoring compliance with the Company's compensation philosophy.

The Committee has overall responsibility relating to compensation for the officers and other associates of the company. Other than with respect to Named Executive Officers, the Committee delegates certain of those functions to management. In the case of Named Executive Officers, the Committee establishes and reviews base salaries, short-term incentives, and long-term incentives, including measurement metrics and goals. With respect to executives below this level, the Committee reviews management's recommendations with respect to these matters. In the case of our non-executive associates, the Committee reviews, approves, and monitors overall compensation practices. The Committee retains oversight over compensation programs that are delegated to management, including evaluating compensation practices to determine that they do not encourage inappropriate risk to the Company.

Committee Agendas, Scheduling, and Keeping of the Minutes. The Committee Chairman, with input from the Committee, works with the Company's Senior Vice President of Human Resources, in preparing the agenda and calendar for the year. The Corporate Secretary takes minutes of the Committee's meetings. The Committee reviews and approves all minutes. The minutes are shared with the full Board upon approval.



Performance Reviews. Each of our executive officers performs an annual self-evaluation of his or her performance. Our Chief Executive Officer conducts performance evaluations or has final approval over performance evaluations for the other Named Executive Officers. The Executive Committee conducts the annual performance evaluation of our Chief Executive Officer, with input from the non-employee members of the Board. The Executive Committee discusses the Chief Executive Officer's performance with the full board, excluding any employee directors and reports the Chief Executive Officer's leadership rating to the Compensation Committee.

The performance review of our executive officers includes individual performance criteria consisting of financial and operational performance goals for specific lines of business, management of risk and development of teams and leadership.

The performance review of our Chief Executive Officer is based on the financial performance of the Company, the increase in stockholder value, growth in the human capital of the organization, succession planning, input from the outside members of the Board of Directors, the Company's overall management of risk, and development and execution of our strategy. The Committee discusses the Executive Committee's evaluation of the Chief Executive Officer without the Chief Executive Officer being present. A Committee member presents the Committee's decisions for compensation of each executive officer to the full Board of Directors.

Compensation Consultant. In 2015, the Committee again engaged Pay Governance to provide consulting services with respect to executive compensation. Pay Governance does not own any securities of the Company, nor do the consultants have any other business relationships with the Company or other individual associates. The Committee decides the nature and scope of any compensation consultant's assignments and the Chairman of the Committee, with the Senior Vice President of Human Resources, approves the budget and invoices relating to consultants.

Pay Governance's work for the Committee in 2015 included: (i) review and analysis of compensation data from the peer group of 23 companies discussed below for purposes of analyzing the competitiveness of the Company's compensation for executive officers and (ii) providing business and technical advice on executive compensation matters, including short-term and long-term incentive compensation. In 2015, Pay Governance provided no material services to the Company separate from its service to the Committee.

Comparisons to Peer Group. The Committee uses competitive data to compare its compensation levels to a group of peer companies with respect to the following elements of compensation for Named Executive Officers:

• Base salary;

• Short-term annual incentives;

• Equity compensation elements such as performance contingent grants of stock; and

• Other elements that to date have been reported publicly under SEC rules.

• The Committee selects the peer group with the advice of the Company's compensation consultant and input from management.

The peer group companies were selected to reflect financial institutions of comparable assets size to the Company with operations in markets that are geographically comparable to the Company's markets. The Committee believes that these component companies represent institutions that compete for the Company's talent pool. The Committee does not set rigid benchmarks for compensation of Named Executive Officers. The Committee's objective is to offer total target compensation for Named Executive Officers that is competitive with the Company's peers considering the relative performance of the executive and the Company. The Committee evaluates the competitiveness of the Company's executive compensation by comparisons to the peer group, including median compensation for executives having comparable responsibility at financial institutions of comparable asset size.



In 2015, our peer group consisted of the following 23 component companies:

Arrow Financial Corporation	Lakeland Financial Corp.
Bank of the Ozarks, Inc.	MidWest One Financial Group, Inc.
BNC Bancorp	Pinnacle Financial Partners Inc.
Cardinal Financial Corp.	QCR Holdings Inc.
CoBiz Financial Inc.	Republic Bancorp Inc.
Eagle Bancorp, Inc.	Simmons First National Corporation
Fidelity Southern Corporation	Southside Bancshares Inc.
Financial Institutions Inc.	Southwest Bancorp Inc.
First Financial Bankshares Inc.	Stock Yards Bancorp, Inc.
The First of Long Island	Suffolk Bancorp
Heartland Financial USA Inc.	Tompkins Financial Corporation
Home Bancshares, Inc. (Conway, AR)	

As the Company's size and operations change, the Committee will evaluate, with the advice of its compensation consultants, whether changes should be made to the peer group.

In addition to comparisons to the peer group, and in the interest of taking internal equity into account, the Committee examines the relationship of one Named Executive Officer's total compensation and components to other Named Executive Officers.

**Setting Compensation.** The Committee considers the results of performance evaluations, peer group comparisons, and a review of the Company's goals and objectives. Based on this review, the Committee approves, and reports to the Board of Directors its decisions regarding the base salary, short term incentive compensation targets and long-term equity awards for our Named Executive Officers for the current year, as well as short term incentive compensation earned for the prior year.

#### Compensation Components

Our executive compensation consists of three components:

- base salary,
- short-term annual incentive awards, and
- long-term equity incentive compensation.

We also provide modest levels of perquisites, described later, to our Named Executive Officers. Named Executive Officers may elect to participate in a Deferred Compensation Plan that is available to certain other executives as well. We do not provide any executive benefits in the form of supplemental executive retirement plans, top hat plans, or special health care plans. Named Executive Officers also participate in other associate benefit programs that are provided or available to the general associate population such as health care, disability, life insurance and a defined contribution plan. These programs are described later. The Summary Compensation Table on page 24 provides additional information.

The Committee does not have a firm policy for the allocation of compensation components. Allocations of compensation among the various components are intended to align compensation with achievement of performance goals and appropriate risk management while remaining competitive in comparison to the Company's peer group.

Base Salaries. We use base salary to recognize and compensate for requisite competencies, experience, and knowledge that we believe our Named Executive Officers must possess. In setting base salaries, the Committee considers the Named Executive Officer's experience, the difficulty that might be encountered in replacing the Named Executive Officer, and how limited the pool of qualified people might be. The Committee also considers comparisons to the peer group to determine competitive levels of base salary for Named Executive Officers.

With recommendations from the Chief Executive Officer and the Senior Vice President of Human Resources, the Committee annually reviews Named Executive Officer base salaries based on individual and Company performance, the individual's level of responsibility, peer group competitive data, internal equity considerations, compensation history, and terms and conditions of each Named Executive Officer's employment agreement.

Based on these factors, in 2015, the Committee approved increases in rates of base salaries for the Company's Named Executive Officers as follows:

Mr. Benoist - 3%  
 Mr. Turner - 25%  
 Mr. Goodman - 8.5%  
 Mr. Marsh - 3%  
 Mr. Sanfilippo - 3%

Mr. Benoist, Mr. Marsh, and Mr. Sanfilippo received a standard merit increase. Mr. Turner and Mr. Goodman received market adjustments to appropriately reflect their responsibilities as Chief Financial Officer and President of the Bank, respectively.

**Short-Term Annual Incentives.** We use short-term incentive programs to drive an executive's performance in a given year by focusing on key goals. Our short-term incentive program sets a threshold, target and exceptional level of short-term incentive awards that a Named Executive Officer is eligible to earn. In the first quarter of each year, our Chief Executive Officer and the Senior Vice President of Human Resources, with the input of other members of management where appropriate, present proposed performance grids to the Committee for review and approval. For other executives, the Chief Executive Officer of the Company reviews the goals and sets the potential incentive amounts for each goal and performance level. The relative importance of each goal to all goals is determined. The relative weighting determines potential incentive payments for each goal. The Committee uses comparisons to the Company's peer group to determine target levels of payments.

For performance below threshold level of any goal, there is no payment with respect to that goal. Payout for performance falling between the threshold, target and exceptional levels is determined using straight-line interpolation. The Committee retains discretion to make awards above the exceptional level amount if actual performance exceeds exceptional level goals, subject to the maximum incentive amount permitted in the Annual Incentive Plan approved by our stockholders. Short-term annual incentives for 2015 were payable in cash.

The Company's 2015 short term incentive program utilized four goals that were applied across all Named Executive Officers. The Committee believes these goals align executives' incentives with the Company's stockholders and encourage superior performance in critical areas, such as efficient operations, profitability, prudent growth and effective risk management. The minimum target amount of annual incentives for Mr. Benoist is set forth in his employment agreement.

All Named Executive Officers had the same three Company performance goals and weightings for the 2015 Short-Term Incentive Plan. Following is a summary of the Company performance goals and the actual results of the Company for fiscal 2015.

(in thousands)	% Weight At Target	Threshold	Goals Target	Exceptional	Actual
Core Pre-Tax Income	40%	\$36,096	\$40,107	\$44,118	\$46,721
Core Deposits	20%	\$2,201,393	\$2,317,256	\$2,363,601	\$2,449,582
Core Fee Income	20%	\$22,641	\$25,157	\$27,673	\$25,576

The Core Pre-Tax Income goal is measured as income before tax expense without direct income and expenses related to purchased credit impaired ("PCI") assets, as well as an internal estimate of associated asset funding costs. The

Committee has discretion to make adjustments for non-recurring or extraordinary items.

The Core Deposits goal is measured by calculating total deposits of the Company's banking subsidiary (excluding certificates of deposit).

The Core Fee Income goal is measured as the Company's noninterest income less gain or loss on sale of investment securities and components of noninterest income directly related to PCI assets.

In addition to the above three Company-based goals, 20% of each Named Executive Officer's short term incentive award is based on his or her leadership rating. The "Leadership Rating" goal consists of a rating of between zero and four. The threshold level is a rating of two, the target level is a rating of three and the exceptional level is a rating of four.

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Following is a summary of the value of short term incentive awards for Named Executive Officers in fiscal 2015 at the threshold, target and exceptional levels and the amount paid based on actual performance:

Name		Threshold	Target	Exceptional	Actual	
Peter F. Benoist	Award Value	\$87,500	\$175,000	\$262,500	\$247,914	
				% of Target	141.7	%
Keene S. Turner						