S&T BANCORP INC
Form DEF 14A
April 07, 2015
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# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# SCHEDULE 14A INFORMATION

**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
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 14a-12

# S&T Bancorp, 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):

x 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:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**TO THE SHAREHOLDERS OF S&T BANCORP, INC.:**

Relationships. Trust. Confidence. For more than 100 years, we have proudly represented these values in the communities we serve. Our unwavering commitment to them has led to another excellent year for S&T Bancorp, Inc. (S&T). I am proud to share with you all of the success that we have achieved together. Our focus was on growth and expansion in 2014. We announced our acquisition of Integrity Bancshares, Inc., expanded our banking network into State College, Pa. and enhanced our commercial banking operations in Ohio and western N.Y. These efforts, coupled with continued improving market conditions, and our dedication to attracting top talent, allowed us to realize considerable growth in 2014. Across all business units and within our corporate culture, we are experiencing positive results that reinforce our strong market position and allow us to maintain our focus on our customers.

**S&T had a solid year in 2014, and we are well positioned to build off of our success and continue our growth throughout 2015.**

**THE YEAR AT S&T: 2014 PERFORMANCE HIGHLIGHTS**

**Significant growth continues at S&T.** Most notably, we reached a major milestone when total assets increased to $5 billion, a number that will increase to nearly $6 billion with the completion of the Integrity merger. Net income increased by 15 percent to $57.9 million, and earnings per share increased to $1.95 compared to $50.5 million or $1.70 per share for 2013. Our stock price at year-end 2014 was $29.81 per share, an increase of nearly 18 percent compared to the prior year-end. Our continued positive results were driven by solid loan growth, continued expansion, well-controlled expenses, and excellent asset quality.

**Loan growth was strong in 2014**. S&T s 2014 total loans increased by $303 million or 8.5 percent.

**Expansion continued in 2014**. We opened a new loan production office (LPO) in Columbus, Ohio and opened another LPO in Rochester, N.Y. on March 23, 2015. In addition, we opened a new full-service branch and lending team in State College, Pa. This expansion introduced customers in new markets to our products and services.

**Controlling expenses and pursuing operational efficiencies remained a top priority for S&T.** Despite significant growth in 2014, S&T was able to decrease expenses by $0.2 million.

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**Asset quality was excellent in 2014.** The provision for loan losses decreased by 79 percent to $1.7 million, compared to $8.3 million in 2013. We had only $58 thousand in net charge-offs in 2014.

**ACCOMPLISHMENTS**

S&T remains focused on providing our customers with personalized solutions for all of their financial needs. And our commitment to providing products and services that make their lives easier could not have been more evident in 2014. S&T made significant investments to enhance our customer-centric mission including:

- Investing in new value-added products that meet the evolving needs of our customers;
- Hiring and retaining seasoned banking professionals to better serve our customers and communicate the S&T message;
- Development of a progressive bank branch that capitalizes on new technologies: the Indian Springs Innovation Center; and
- Continued dedication to community programs that demonstrate our core customer commitment.

**Continued investments in S&T Retail Banking contributed to growth in 2014.** To better meet our customers needs, we capitalized on an enhanced e-channel experience that focuses on a digitally based product suite. Our Retail Banking services include customer favorites like online banking with billpay, mobile apps, mobile deposit, and now our iPad app. Across all platforms, we have experienced increases in enrollment levels and will continue to invest in similar products to improve our value proposition in the future.

**To support our growth, S&T built upon our strong employee foundation and expanded leadership teams.** We put a laser focus on investing time and effort to attract the right seasoned banking professionals in order to successfully introduce our brand into new markets. Personnel highlights include announcements in the following categories:

Promotion and New Hire:

- Rebecca A. Stapleton was promoted and appointed to senior executive vice president, chief banking officer. She oversees all of S&T s retail banking operations including market and retail banking sales; and
- George Basara was hired as general counsel and executive vice president of human resources. He is the key point of contact for all legal matters and is responsible for the overall operations of the human resources department.

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S&T welcomed the following new members to its Board of Directors:

- James T. Gibson, previously chairman, president and chief executive officer of Integrity Bancshares and Integrity Bank since its inception in June 2003;
- Jerry D. Hostetter, a current partner at Prestige Investment Group since 2012 and member of the former Integrity Bancshares Board of Directors; and
- Steven J. Weingarten, presently an attorney at McNees Wallace & Nurick LLC and a member of the former Integrity Bancshares Board of Directors.

We re proud of the team that we have in place and look forward to supporting them in their achievements in 2015.

**Wealth Management and S&T-Evergreen Insurance continued to excel in 2014.** S&T Wealth Management experienced significant growth due to better efficiencies and new revenue from both S&T Trust and Stewart Capital Advisors LLC. Total Wealth Management Assets Under Management and Administration grew to $2.04 billion from $1.9 billion a year ago an increase of more than 7 percent.

S&T-Evergreen Insurance also had a successful year improving operational efficiencies through efforts such as the establishment of the Select Business Unit and Personal Lines Service Center. Through an enhanced strategic approach by its management team, Evergreen created a Producer Development Program and expanded its insurance carrier and product line availability to address the growing needs of the oil and gas industry, and all of its customers.

**S&T maintained a dedication to preparedness** to combat increasing risks in cybersecurity in 2014. To ensure that our company and customers are protected, S&T has elevated its technology focus. This allows S&T to proactively manage any potential risks to ensure that we are at the cutting edge of industry advancements.

**S&T is testing new technologies at our branches.** S&T is committed to adopting and implementing new technology to better serve our customer s evolving digital needs. Retail Banking expanded in 2015 with the construction of the Indian Springs Innovation Center, a future mainstay of our technological advancements. The new technology that is being tested includes an interactive tech-bar with tablets and video conferencing capabilities for customers to connect with S&T employees, with an end-goal of elevating the relationship banking experience. While the S&T Indian Springs Innovation Center is the first of its kind, it s certainly not the last. After the test period, we have plans to further integrate our advancing technological capabilities in other branches, including the development of an additional Innovation Center in 2015 in McCandless Township, located in the North Hills of Pittsburgh.

**S&T was acknowledged for the second consecutive year by Sandler O Neill** as a member of the *Sm-All Stars*. This annual ranking recognizes high-performing financial institutions nationwide and we re honored to be part of this distinguished group.

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**Community and customer commitment is still our promise.** In 2014, we participated in various programs including *Teach Children to Save* and *Get Smart About Credit*, both of which are sponsored by the American Banking Association. Along with those programs, we provided $179,000 through the Educational Improvement Tax Corporation (EITC) to 26 schools. In addition, we worked with more than 4,800 students at 75 school locations. These efforts were supported through the S&T Charitable Foundation, which reinforces our dedication to the communities we serve.

**OUTLOOK**

As we move forward in 2015, we anticipate another year of expansion, achievement and providing superior service to our customers. We look to continue our momentum derived through successful expansion, effective distribution of products and services and continued investment in the development of our employees to provide customers with relationship banking one customer at a time.

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**S&T Bancorp, Inc.**

**800 Philadelphia Street**

**Indiana, Pennsylvania 15701**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**May 20, 2015**

To the Shareholders of

S&T Bancorp, Inc.:

Notice is hereby given that the Annual Meeting of Shareholders of S&T Bancorp, Inc. ( S&T ) will be held on May 20, 2015, at 10:00 a.m. Eastern Time, at the S&T Support Center, located at Indiana West Plaza, 2416 Philadelphia Street, Indiana, Pennsylvania 15701, for the purpose of considering and voting on the following matters:

1. The election of fifteen directors to serve a one-year term until the next annual meeting of shareholders and until their respective successors are elected and qualified;

2. To ratify the selection of KPMG LLP as an independent registered public accounting firm for the fiscal year 2015;

3. To approve a non-binding advisory proposal on the compensation of S&T s executive officers; and

4. The transaction of such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on **March 20, 2015** are entitled to notice of and to vote at such meeting or any adjournment thereof.

By Order of the Board of Directors,

**Ernest J. Draganza**

**Secretary**

Indiana, Pennsylvania

April 7, 2015

**IMPORTANT**

**YOUR VOTE IS IMPORTANT. IN ORDER TO ASSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, PLEASE MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED IN THIS PROXY STATEMENT, FOR THE RATIFICATION OF THE SELECTION OF KPMG LLP AS AN INDEPENDENT REGISTERED ACCOUNTING FIRM FOR FISCAL YEAR 2015 AND FOR THE NON-BINDING ADVISORY PROPOSAL ON THE COMPENSATION OF S&T S EXECUTIVE OFFICERS.**

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF**

**PROXY MATERIALS FOR THE 2015 ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MAY 20, 2015**

The Securities and Exchange Commission (the SEC ) adopted the Notice and Access rule, whereby corporate issuers must make proxy materials available on a public website, and may choose to send a Notice of Internet Availability of Proxy Materials ( Notice ) in place of the complete proxy package. For our 2015 Annual Meeting, to save significant printing and mailing expenses, S&T mailed a Notice to all shareholders, who had not previously elected to receive their proxy materials through the mail, to inform them of the electronic availability of the proxy materials 40 days in advance of the Annual Meeting.

S&T s Proxy Statement for the 2015 Annual Meeting of Shareholders and S&T s Annual Report on Form 10-K in a combined document for the fiscal year ended December 31, 2014 are available at http://proxyvote.com.

**IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY HOLDER DOCUMENTS**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process is commonly referred to as householding.

S&T has implemented householding in an effort to reduce the number of duplicate mailings to the same address. This process benefits both shareholders and S&T, because it eliminates unnecessary mailings delivered to your home and helps to reduce S&T s expenses. Householding is not being used, however, if S&T has received contrary instructions from one or more of the shareholders sharing an address. If your household has received only one annual report and one proxy statement, S&T will deliver promptly a separate copy of the annual report and the proxy statement to any shareholder who contacts S&T s transfer agent, American Stock Transfer & Trust Company ( AST ), by calling their toll-free number, 1-800-937-5449, or by mail to the attention of the Operations Center at 6201 15th Avenue, Brooklyn, NY 11219. You can also notify S&T that you would like to receive separate copies of S&T s annual report and proxy statement in the future by calling AST. Even if your household has received only one annual report and one proxy statement, S&T will continue to send a separate proxy card for each shareholder residing at your address. Please note, however, that if you also hold shares of S&T in street name (e.g., in a brokerage account or retirement plan account) you may continue to receive duplicate mailings.

Each proxy card should be signed, dated and returned in the enclosed self-addressed envelope. If your household has received multiple copies of S&T s annual report and proxy statement, you can request the delivery of single copies in the future by calling AST, as instructed above, or your broker, if you hold the shares in street name.

For our 2016 Annual Meeting, you can help us save significant printing and mailing expenses by consenting to access our proxy materials and annual report electronically via the Internet. If you hold your shares in your own name (instead of street name through a bank, broker or other nominee), you can choose this option by following the prompts for consenting to electronic access, if voting by telephone, or by following the instructions at the Internet voting website at www.proxyvote.com, which has been established for you to vote your shares for the meeting. If you choose to receive your proxy materials and annual report electronically, then prior to next year s annual meeting you will receive notification when the proxy materials and annual report are available for on-line review via the Internet, as well as the instructions for voting electronically via the Internet. Your choice for electronic distribution will remain in effect until you revoke it by sending a written request to AST at the Operations Center at 6201 15th Avenue, Brooklyn, NY 11219. If you hold your shares in street name through a bank, broker or other nominee, you should follow the instructions provided by that entity if you wish to access our proxy materials electronically via the Internet.

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**S&T BANCORP, INC.**

**2015 PROXY STATEMENT**

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**S&T BANCORP, INC.**

**PROXY STATEMENT FOR**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 20, 2015**

## INTRODUCTION

This Proxy Statement is being furnished to shareholders of S&T Bancorp, Inc. ( S&T ) in connection with the solicitation of proxies by the Board of Directors of S&T (the S&T Board ) for use at the Annual Meeting of Shareholders, and any adjournments thereof, to be held at the time and place set forth in the accompanying notice ( Annual Meeting ). This Proxy Statement is being mailed to shareholders on or about April 7, 2015.

At the Annual Meeting, shareholders of S&T will be asked to elect fifteen directors of S&T to serve a one-year term, to approve the ratification of the selection of KPMG LLP as an independent registered public accounting firm for the fiscal year 2015 and to approve a non-binding advisory proposal on the compensation of S&T s executive officers.

**All shareholders are urged to read this Proxy Statement carefully and in its entirety.**

## MEETING INFORMATION

### Date, Time and Place

The Annual Meeting will be held on May 20, 2015, at 10:00 a.m. Eastern Time at the S&T Support Center, located at Indiana West Plaza, 2416 Philadelphia Street, Indiana, Pennsylvania 15701.

### Record Date, Voting Rights

The securities that can be voted at the Annual Meeting consist of shares of common stock of S&T, par value $2.50 per share ( Common Stock ), with each share entitling its owner to one vote on all matters. Only holders of the Common Stock at the close of business on March 20, 2015 (the Record Date ) will be entitled to notice of and to vote at the Annual Meeting. There were 3,346 record holders of the Common Stock and 34,832,481 shares of Common Stock outstanding as of the Record Date.

A quorum is required for the transaction of business at the Annual Meeting. A quorum is the presence at the meeting, in person or represented by proxy, of the holders of the majority of the outstanding shares of Common Stock. Abstentions are counted for purposes of determining the presence or the absence of a quorum, but are not considered a vote cast under Pennsylvania law. Abstentions will not affect the outcome of a vote on a particular matter. Shares held by brokers in street name and for which the beneficial owners do not vote on a particular proposal because the brokers do not have discretionary voting power and have not received instructions from the beneficial owners to vote on that item are called broker non-votes. Brokers and banks have discretionary authority to vote shares in absence of instructions considered routine, such as the ratification of the appointment of the auditors. They do not have discretionary authority to vote shares in absence of instructions on non-routine matters, such as the election of directors and the advisory vote on the approval of executive compensation. Broker non-votes are counted to determine if a quorum is present, but are not considered a vote cast under Pennsylvania law. Broker non-votes will not affect the outcome of a vote on a particular matter.

The director nominees will be elected by a plurality of the votes cast at the Annual Meeting, which means that the fifteen nominees receiving the most votes will be elected. A withheld vote on any nominee will not affect the voting results. The ratification of the selection of KPMG LLP as an independent registered accounting firm for fiscal year 2015 and the approval of the non-binding advisory proposal on the compensation of S&T s executive officers require the affirmative vote of a majority of the votes cast at the Annual Meeting on the item to be approved.

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**Voting and Revocation of Proxies**

If the appropriate enclosed form of proxy is properly executed and returned to S&T in time to be voted at the Annual Meeting, the shares represented thereby will be voted in accordance with the instructions marked thereon. Executed but unmarked proxies will be voted FOR the ratification of the selection of KPMG LLP as an independent registered accounting firm for fiscal year 2015. Except for procedural matters incident to the conduct of the Annual Meeting, S&T does not know of any matters other than those described in the Notice of Annual Meeting that are to come before the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in the accompanying proxy will vote the shares represented by the proxies in their discretion on such matters as recommended by a majority of the S&T Board.

The presence of a shareholder at the Annual Meeting will not automatically revoke such shareholder s proxy. However, a shareholder may revoke a proxy at any time prior to its exercise by filing with the Secretary of S&T a written notice of revocation, by delivering to S&T a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person.

**Solicitation of Proxies**

The cost of soliciting proxies in the form enclosed herewith will be borne by S&T. In addition to the solicitation of proxies by mail, S&T has engaged D.F. King & Co., Inc. to help solicit proxies for the Annual Meeting, and will pay D.F. King & Co., Inc. $7,000, plus its out-of-pocket expenses, for the solicitation of proxies. S&T may also solicit proxies personally or by telephone, through its directors, officers and regular employees. S&T also will request persons, firms and corporations holding shares of Common Stock in their names or in the name of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from the beneficial owners and will reimburse the holders for their reasonable expenses in so doing.

**Internet Availability of Proxy Materials**

S&T s Proxy Statement for the 2015 Annual Meeting of Shareholders and S&T s Annual Report on Form 10-K for the fiscal year ended December 31, 2014, are available at http://proxyvote.com.

**BENEFICIAL OWNERS OF S&T COMMON STOCK**

Under Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), a beneficial owner of a security is any person who directly or indirectly has or shares voting power or investment power over such security. Such beneficial owner under this definition need not enjoy the economic benefit of such securities. The following are the only shareholders known to S&T to be deemed to be a beneficial owner of 5% or more of Common Stock as of **December 31, 2014**, and S&T has relied solely on information provided in the public filings made by the holders below:

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent of Class |
|---|---|---|---|
| Common Stock | BlackRock Inc.<br>55 East 52nd Street<br>New York, NY 10022 | 3,011,670(1) | 10.1% |
| Common Stock | The Vanguard Group, Inc.<br>100 Vanguard Blvd.<br>Malvern, PA 19355 | 1,993,098(2) | 6.68% |

(1) According to its Schedule 13G/A filed with the SEC on February 10, 2015, BlackRock, Inc. has sole dispositive power of 3,011,670 shares and sole voting power of 2,932,847 shares. The percentage of ownership is calculated as of the filing date of the Schedule 13G/A.

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(2) According to its Schedule 13G/A filed with the SEC on February 10, 2015, The Vanguard Group, Inc. has sole dispositive power for 1,956,752 shares and shared dispositive power for 36,346 shares. The number of shares Vanguard Group, Inc. has sole power to vote or direct to vote is 39,546. The percentage of ownership is calculated as of the filing date of the Schedule 13G/A.

S&T is not aware of any other person who beneficially owns more than 5% of any class of securities of S&T other than those listed above.

**BENEFICIAL OWNERSHIP OF S&T COMMON STOCK BY DIRECTORS AND OFFICERS**

The following table sets forth, as of March 20, 2014, the amount and percentage of Common Stock beneficially owned by each director, each nominee for director and each of the Named Executive Officers (as defined below) of S&T, as well as the directors and executive officers of S&T as a group. Unless otherwise indicated, all persons listed below have sole voting and investment power of all shares of Common Stock. The business address of each of S&T s directors and officers is 800 Philadelphia Street, Indiana, Pennsylvania 15701.

| Name | Shares of Common Stock Beneficially Owned(1) | Percent Owned |
|---|---|---|
| David G. Antolik | 34,652 | * |
| Todd D. Brice | 104,525 | * |
| John J. Delaney | 71,566 | * |
| Michael J. Donnelly | 28,485 | * |
| William J. Gatti | 27,604 | * |
| James T. Gibson | 500,000 | 1.43 |
| Jeffrey D. Grube | 23,080 | * |
| Patrick J. Haberfield | 9,823 | * |
| Jerry D. Hostetter | 19,218 | * |
| Frank W. Jones | 28,034 | * |
| Joseph A. Kirk | 69,449 | * |
| Mark Kochvar | 49,724 | * |
| David L. Krieger | 27,929 | * |
| James C. Miller | 78,621 | * |
| Fred J. Morelli, Jr. | 2,923 | * |
| Frank J. Palermo, Jr. | 13,336 | * |
| David P. Ruddock | 49,805 | * |
| Christine J. Toretti | 24,002 | * |
| Charles G. Urtin | 24,395 | * |
| Steven J. Weingarten | 77,805 | * |
| All current directors and executive officers as a group (32 persons) | 1,457,357 | 4.17% |

(1) May include shares held by spouse, other family members, as trustee or through a corporation. Includes shares issuable upon the exercise of nonstatutory stock options exercisable within 60 days of March 20, 2015: Mr. Antolik, 10,000 shares; Mr. Brice, 12,500 shares; Mr. Delaney, 2,500 shares; Mr. Donnelly, 2,500 shares; Mr. Gatti, 2,500 shares; Mr. Grube, 2,500 shares; Mr. Jones, 2,500 shares; Mr. Kirk, 2,500 shares; Mr. Kochvar, 6,500; Mr. Krieger, 11,000 shares; Mr. Miller, 15,000 shares; Mr. Ruddock, 10,000 shares; Ms. Toretti, 2,500 shares; and all current directors and executive officers as a group, 107,500 shares. Mr. Brice disclaims beneficial ownership of 1,475 shares that are directly owned by his spouse. Mr. Miller disclaims beneficial ownership of 17,760 shares that are directly owned by his spouse.

* Less than 1% of the outstanding Common Stock.

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**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires S&T s directors and executive officers, and persons who own more than 10% of S&T s stock, to report to the SEC certain of their transactions with respect to S&T s Common Stock. The SEC reporting rules require that changes in beneficial ownership generally be reported on Form 4 within two business days after the date on which the change occurs. A Form 3 to report stock holdings in S&T must be filed within ten days of when a director, executive officer or person who owns more than 10% of S&T s stock becomes subject to Section 16(a) of the Exchange Act.

Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2014, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were filed in a timely manner.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

**General**

The By-laws of S&T provide that the number of directors constituting the S&T Board will consist of not less than nine (9) nor more than seventeen (17), with the exact number to be fixed and determined from time to time by resolution of a majority of the S&T Board. Currently, the S&T Board has fixed the number of directors at sixteen (16); however, the number will be fixed at fifteen (15) when Director Kirk retires immediately following the Annual Meeting.

The nominees were each recommended by our Nominating and Corporate Governance Committee (the Nominating Committee ) to the S&T Board. Each director nominee will serve a one-year term. All of the nominees have indicated their willingness to serve, if elected, but if any should be unable or unwilling to serve, proxies may be voted for a substitute nominee designated by the S&T Board. There are no family relationships between or among any of our directors, executive officers or persons nominated or chosen to become a director or executive officer, except that Director Delaney s son is married to Director and CEO Brice s sister. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below.

Set forth below is a brief description of the principal occupation and business experience of each of our nominees for director, as well as the summary of our views as to the qualifications of each nominee and continuing director to serve on the S&T Board and each board committee of which he or she is a member. Our views are informed not only by the current and prior employment and educational background of our directors, but also by the S&T Board s experience in working with their fellow directors. The S&T Board has had significant experience with the incumbent directors and has had the opportunity to assess the contributions that the directors have made to the board as well as their industry knowledge, judgment and leadership capabilities. The Nominating Committee continually assesses the tenure and diversity of the Board and seeks opportunities, within the constraint of the size of the Board, to include a mix of directors with S&T Board experience and with fresh perspectives. After the addition of Messrs. Morelli and Palermo to the Board in 2013, the acquisition of Integrity Bancshares, Inc. in 2015 offered the Nominating Committee the opportunity to add three additional new directors to the Board to further diversify the Board s industry knowledge, judgment and leadership capabilities.

***Director Nominees to be Elected at the 2015 Annual Meeting:***

***Todd D. Brice***, 52, has served as a director of S&T since 2005. Mr. Brice has been President and Chief Executive Officer of S&T and S&T Bank since 2008 and was formerly President and Chief Operating Officer of S&T and S&T Bank from 2004 until 2008 and Executive Vice President of Commercial Lending at S&T and S&T Bank from 2002 until 2004. With 29 years of banking experience, including eleven years of senior management experience at S&T, we believe that Mr. Brice s deep industry knowledge and his expertise in our operations, commercial lending and corporate strategy provides the S&T Board with significant insight across a broad range of issues critical to our business. As our Chief Executive Officer, Mr. Brice provides unique insight to the S&T Board regarding our day-to-day operations, customer information, competitive intelligence, general trends in national and local banking and issues regarding our financial results.

***John J. Delaney***, 73, has served as a director of S&T since 1987 and is a member of the Compensation and Benefits Committee and the Nominating Committee. Mr. Delaney has been the president of Delaney Chevrolet, Inc. since 1971 and president of Riehle Chevrolet, Inc. d/b/a Star Chevrolet, Nissan, Volvo since 1983. We believe that Mr. Delaney s 43 years of experience in the retail auto industry provides the S&T Board with important experience regarding consumer lending and loan risk management. Mr. Delaney s extensive board experience during his career, including his service as a director on the board of the Indiana Chamber of Commerce, the Indiana Industrial Development Authority and the Indiana County Airport Authority Board, affords him valuable insight into the local business community. Mr. Delaney s management experience and board service, along with his deep experience as a long-standing member of the S&T Board, also qualify him to

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serve on our Compensation and Benefits Committee and our Nominating Committee. We also believe that Mr. Delaney s experience operating a series of auto dealerships provides the Compensation and Benefits Committee with experience regarding motivating our executive team through our various compensation plans and policies.

***Michael J. Donnelly***, 57, has served as a director of S&T since 2001 and is a member of the Compensation and Benefits Committee and the Nominating Committee. Mr. Donnelly has been president of Indiana Printing and Publishing Company, Inc. since 1993. We believe that Mr. Donnelly s deep experience in managing and operating a local business provides the S&T Board with valuable insight into the issues addressing our local corporate and consumer borrowers. Mr. Donnelly has spent over 25 years working with the Indiana County Chamber of Commerce and the Indiana County Development Corporation in retaining and attracting many businesses in the Indiana, PA area. Mr. Donnelly s experience in developing appropriate compensation for the executives and senior management of his company qualifies him to serve on our Compensation and Benefits Committee, and his experience on the S&T Board provides him with a solid background for service on our Nominating Committee.

***William J. Gatti***, 73, has served as a director of S&T since 1993. Mr. Gatti is the owner of Gatti Medical Supply, Inc., a medical distribution company, and has served as the chief executive officer of Gatti LTC Pharmacy, a long term care provider since 2008. Mr. Gatti was the founder and former chief executive officer and chairman of Millennium Pharmacy Systems, Inc., a long term care provider, from 2003 until 2008. Mr. Gatti was also the owner and operator of Gatti Retail Pharmacy. We believe that Mr. Gatti s experience in the medical industry offers valuable perspective and significant expertise to the S&T Board, and provides the S&T Board with a strategic outlook and management experience into operations and lending opportunities in the medical and medical care industries.

***James T. Gibson,*** 59, has served as a director of S&T since March 2015. Mr. Gibson served as Chairman, President and Chief Executive Officer of Integrity Bancshares, Inc. since its inception in June 2003 until it was acquired by S&T in March 2015, and continues to serve as President and CEO of Integrity Bank, a role he also held since its inception in June 2003. Previously, Mr. Gibson served as President and Chief Executive Officer of Commerce Bank/Harrisburg from 1988 to 2002.We believe that Mr. Gibson s more than 37 years of banking experience and detailed knowledge about the development and operations of Integrity Bank qualify him to serve on our Board.

***Jeffrey D. Grube***, 61, has served as a director of S&T since 1997 and is Chairman of the Compensation and Benefits Committee and a member of the Audit Committee. Mr. Grube has served as President of B.F.G. Electroplating and Manufacturing Company as well as B.F.G. Manufacturing Service, Inc. since 1990. Mr. Grube s career as an executive in the manufacturing industry includes financial and engineering experience. Mr. Grube s extensive experience working with small and medium-sized businesses provides the S&T Board with valuable experience regarding potential borrowers and customers, customer relations, lending issues and credit risk. Mr. Grube also served as a director on the board of a privately held company that supplies compliance products to lending solutions. Mr. Grube s executive and board experience in the manufacturing sector and experience with financial institutions allow him to bring relevant insight regarding regulatory and financial compliance issues to the S&T Board, including the Audit Committee and the Compensation and Benefits Committee.

***Jerry D. Hostetter***, 53, has served as a director of S&T since March 2015. Mr. Hostetter has served as a partner at Prestige Investment Group since its founding in 2012. Prior to that, Mr. Hostetter was the Vice President of Fund Development and Legislative Affairs of Ephrata Community Hospital from 2008 through 2011. Mr. Hostetter previously served on the board of Integrity Bancshares, Inc. from 2011 until it was acquired by S&T in March 2015. We believe that Mr. Hostetter s experience in the Pennsylvania business community and knowledge gained from his service as a director of Integrity Bancshares, Inc. qualify him to serve on the S&T Board.

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***Frank W. Jones***, 69, has served as a director of S&T since 1997 and is Chairman of the Nominating Committee and a member of the Audit Committee. In January 2015, Mr. Jones became of counsel with the law firm of Creenan & Baczkowski, PC in Murrysville, PA. Prior to joining the law firm, Mr. Jones was practicing independently in Allegheny County from 1970 to December 2014. Mr. Jones joined the S&T Board following the acquisition of People s Bank of Unity, a regional financial institution, where he served on the board of directors. Mr. Jones assisted the S&T Board with integration and strategic issues following the acquisition. Mr. Jones legal practice, which focuses on estate administration and estate litigation, allows him to provide valuable insight to the S&T Board specifically with respect to our Wealth Management division, including on such issues as customer acquisition, marketing, strategic considerations, compliance and legal risk. We believe that Mr. Jones experience as a director of a similar bank to S&T, together with his legal experience as it relates to one of our core businesses and his years of experience on the S&T Board, qualify him to serve as a director and serve on our Audit Committee and Nominating Committee.

***David L. Krieger***, 71, has served as a director of S&T since 2007. Mr. Krieger is retired but was formerly Senior Executive Vice President and Commercial Lending Group Manager of S&T and S&T Bank. We believe that Mr. Krieger s 24 years of experience at S&T, including leading our commercial lending group, adds valuable experience to the S&T Board. Mr. Krieger has deep knowledge of our lending practices and our customer base, and his commercial lending experience, both at S&T and at his prior employer, provides the S&T Board with significant operational insights regarding credit risk.

***James C. Miller,*** 69, has served as a director since 1993. Mr. Miller served as Chairman of S&T and S&T Bank from 2004 to 2013. Mr. Miller is retired but was formerly Chief Executive Officer of S&T and S&T Bank from 1998 until 2008 and President of S&T and S&T Bank from 1993 until 2005. We believe that Mr. Miller s banking experience, including 37 years with S&T or a bank acquired by S&T and his service as our former chief executive officer, provides him with a unique perspective of our business, including our markets, customer base, senior management, key employees, potential customers, and operations and finances, and qualifies him to serve on the S&T Board.

***Fred J. Morelli***, 62, has served as a director since January 2013 and is a member of the Audit Committee and the Compensation and Benefits Committee. Mr. Morelli has been the owner of Morelli Business Advisors since 2002. Mr. Morelli had also served as vice president and CFO for Consumer Produce, a company that procures and sells produce, from 2011 through 2014. Previously, Mr. Morelli has held chief executive officer, president, and director positions at wealth management and accounting firms in Pittsburgh, PA. Mr. Morelli s experience serving as a consultant for business owners seeking strategic solutions and as an executive and director provides valuable strategic and operational insights to the S&T Board, and his 23 years in public accounting experience with over 20 years as a Certified Public Accountant with tax and audit experience, as well as his experience in various executive roles, qualify him to serve on the S&T Board and on the Audit Committee and Compensation and Benefits Committee.

***Frank J. Palermo***, 62, has served as a director since January 2013 and is a member of the Audit Committee, the Compensation and Benefits Committee and the Nominating Committee. Mr. Palermo is a Certified Public Accountant and a Certified Valuation Analyst, and has been the managing shareholder of Palermo/Kissinger & Associates, P.C. since 1983. Mr. Palermo played an integral role in forming Gateway Bank of Pennsylvania ( Gateway ), where he served as chairman of the audit committee from its inception in 2004 through the date S&T acquired Gateway in 2012. Mr. Palermo s career also includes 36 years in public accounting and four years as a vice president and controller at a community bank. We believe that Mr. Palermo s background in accounting and finance, as well as his prior bank audit committee experience, bring a valuable perspective to the S&T Board both with respect to accounting, financial and strategic aspects of S&T s business and to the Audit Committee on which he serves as audit committee financial expert. We further believe that Mr. Palermo s extensive board experience qualifies him to be a member of the S&T Board and on the Compensation and Benefits Committee and the Nominating Committee.

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***Christine J. Toretti***, 58, has served as Vice Chairman of S&T and S&T Bank since 2013 and a director of S&T since 1984. Ms. Toretti is a member of the Nominating Committee. Ms. Toretti has been the president of Palladio, LLC since 2011 and was the chairman and chief executive officer of S.W. Jack Drilling Company from 1990 through 2010. Ms. Toretti has been the president of The Jack Company since 1988, President of Plum Production, Inc. since 1991, and President of CJT, LLC since 2002, each of which is a natural gas investment company. Ms. Toretti s deep industrial and energy experience provides the S&T Board with a strategic outlook regarding lending and other commercial opportunities in these sectors, her experience of leading a family business allows her to offer the S&T Board valuable management perspective and credit risk assessment with respect to our industrial and oil and gas borrowers, and her board experience, including in the role of chairman, qualifies her to serve as Vice Chairman of the S&T Board and on the Nominating Committee.

***Charles G. Urtin***, 68, has served as Chairman of S&T and S&T Bank since 2013 and was formerly Vice Chairman of S&T and S&T Bank from 2008 to 2013. Mr. Urtin is retired but was formerly president and chief executive officer of IBT Bancorp, Inc. and Irwin Bank. We believe that Mr. Urtin s 40 years of banking experience, including serving as chief executive officer of IBT Bancorp and Irwin Bank, provides the S&T Board with valuable industry, strategic, financial and operational insight, and his long-standing presence as a leader of a regional bank operating in our geographic market assists the S&T Board with customer acquisition, credit risk analysis and loan portfolio management. Mr. Urtin assisted the S&T Board with transition and integration issues following our acquisition of IBT Bancorp in 2008.

***Steven J. Weingarten***, 56, has served as a director of S&T since March 2015. Mr. Weingarten has been an attorney at McNees Wallace & Nurick LLC since 1989, and a Member since 1993. Additionally, he served as Managing Partner of McNees Wallace & Nurick LLC from 2002 to 2006. Mr. Weingarten previously served on the board of Integrity Bancshares, Inc. from 2003 until it was acquired by S&T in March 2015. We believe that Mr. Weingarten s experience in managing McNees Wallace & Nurick LLC and in practicing real estate law and the knowledge he gained from his service as a director of Integrity Bancshares, Inc. qualify him to serve on the S&T Board.

**Board Recommendation**

**THE S&T BOARD RECOMMENDS A VOTE FOR ALL OF THE NOMINEES.**

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## CORPORATE GOVERNANCE

### Corporate Governance Guidelines

In 2014, the S&T Board adopted Corporate Governance Guidelines ( Guidelines ) which reflect S&T s commitment to following corporate governance best practices. The Guidelines are to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. The Guidelines are intended to promote the proper functioning of the Board and its committees and set forth a set of expectations to enable effective corporate governance practices. These Guidelines are not intended to modify or amend S&T s Articles of Incorporation, as amended, or By-laws. In the event of a discrepancy between these Guidelines and the Articles of Incorporation or the By-laws, the Articles of Incorporation and By-laws will always govern. The Guidelines are available on S&T s website, www.stbancorp.com, under Corporate Governance.

### Director Independence

The S&T Board determines annually that a majority of directors serving on the S&T Board are independent as defined in the NASDAQ listing standards. In 2014, the S&T Board also considered all direct and indirect transactions described in Transactions with Related Parties and Compensation Committee Interlocks and Insider Participation in determining whether the director is independent. Finally, the S&T Board considered whether a director has any other material relationships with S&T and concluded that none of these directors has a relationship that impairs the director s independence. There were no other related party transactions other than those described in the aforementioned sections of this Proxy Statement. The Nominating Committee has the delegated responsibility to evaluate each director s qualifications for independence for the S&T Board and for the committees of the S&T Board. Following review of the objective measures, the Nominating Committee and S&T Board also consider on a subjective basis each director s personal, familial and/or business relationships, regardless of dollar amount.

On March 16, 2015, the S&T Board determined the following 10 directors are independent under the NASDAQ listing rules: Mr. Delaney, Mr. Donnelly, Mr. Grube, Mr. Hostetter, Mr. Jones, Mr. Morelli, Mr. Palermo, Ms. Toretti, Mr. Urtin and Mr. Weingarten. As discussed below, all members of the Compensation and Benefits Committee and the Nominating Committee are independent under the NASDAQ rules. In addition, the S&T Board determined that each of the members of the Audit Committee is independent under applicable SEC and NASDAQ rules.

### Board and Committee Meetings

The S&T Board has implemented a formal policy that strongly encourages director attendance at the annual meeting of shareholders. In 2014, all of S&T s directors attended the annual meeting of shareholders except Mr. Morelli. Independent members of the S&T Board meet at least twice per year in regularly scheduled executive sessions with an independent Chairman of the Board presiding over all executive sessions.

During 2014, the S&T Board held 10 board meetings, with the following number of meetings held by the S&T Board committees: Audit, 5; Compensation and Benefits, 6; Credit Risk, 4; Executive, 6; Nominating and Corporate Governance, 5; and Trust and Revenue Oversight, 4. All directors attended at least 75% of the total number of meetings of the S&T Board and committees held during 2014.

### Board Structure; Separate Roles of Chairman and Chief Executive Officer

There are currently 16 directors comprising the S&T Board. The number, however, will be reduced to 15, when Director Kirk retires immediately following the Annual Meeting. The S&T Board has established six committees: Audit, Compensation and Benefits, Credit Risk, Executive, Nominating and Corporate Governance, and Trust and Revenue Oversight.

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The S&T Board believes that, as part of our efforts to embrace and adopt good corporate governance practices, different individuals should hold the positions of Chairman of the Board and Chief Executive Officer ( CEO ) to aid in the S&T Board s oversight of management. The S&T Board believes that separation of the roles of Chairman and CEO is the best governance model for S&T and its shareholders at this time. Under this model, our Chairman, a non-executive position, can devote his attention to assuring that S&T has the proper governance controls in place that the S&T Board is properly structured from the standpoints of membership, size and diversity, and that management has the support it needs from the S&T Board to carry out our strategic priorities. The CEO, relieved of the duties normally performed by the Chairman, is free to focus his entire attention on growing and strengthening the business.

The duties of the non-executive Chairman of the Board include:

- presiding over all meetings of the S&T Board;
- preparing the agenda for S&T Board meetings with the Corporate Secretary and in consultation with the CEO and other members of the S&T Board;
- ensuring the S&T Board fulfills its role in overseeing and monitoring management and operations of S&T and protecting the interests of S&T and its shareholders;
- ensuring the S&T Board receives timely, accurate and complete information and the decision time necessary to make informed judgments;
- assigning tasks to the appropriate committees of the S&T Board;
- establishing a relationship of trust with the CEO, providing advice and counsel while respecting the executive responsibilities of the CEO;
- promoting effective relationships and open communication, both inside and outside the boardroom, between senior management and the S&T Board;
- communicating the S&T Board s evaluation of the CEO s annual performance together with the Compensation and Benefits Committee Chairperson; and
- presiding over all meetings of shareholders.

We believe that the S&T Board, the S&T Board committees as presently constituted and the leadership structure of the S&T Board enables the S&T Board to fulfill its role in overseeing and monitoring the management and operations of S&T and protecting the interests of S&T and its shareholders.

**The S&T Board s Role in Risk Oversight**

*Role of the S&T Board*

The S&T Board oversees an enterprise-wide approach to risk management ( ERM ), designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and to enhance shareholder value. The S&T Board regularly discusses with our Chief Risk Officer (the CRO ) our major risk exposures, their potential impact on S&T, and the steps we take to manage them. A fundamental part of risk management is not only understanding the risks a company faces in its current and future activities and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for a regional full-service financial institution, particularly as a result of recent legislative and regulatory changes. The S&T Board has ultimate responsibility for approving the risk appetite that is appropriate for S&T. The Board delegates the authority and responsibility for defining the risk appetite and ensuring alignment with the strategic objectives to the management-level Enterprise Risk Management Committee ( Enterprise Risk Committee ). Under ERM, our business unit managers will identify and quantify the levels and types of inherent risk within their areas of responsibility, as well as consider the appropriateness of existing risk responses and controls for mitigating risks, based upon a standard definition of risk and risk mitigation established by the Enterprise Risk Committee. By utilizing a comprehensive and standardized view of the nature

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and level of risk to which we are exposed and the interaction of the various risk components identified in our ERM program, we are better able to assess and manage our risk and react to uncertainties.

Currently, the S&T Board administers its risk oversight function directly and through the Audit Committee, the Compensation and Benefits Committee (the Compensation Committee ), the Credit Risk Committee, the Executive Committee, the Trust and Revenue Oversight Committee and the Enterprise Risk Committee (a management-level committee).

Pursuant to the terms of our Audit Committee charter, the CRO is accountable to both the Audit Committee and our CEO. The Audit Committee reviews and approves the appointment, replacement or dismissal of the CRO, and discusses the organizational structure and staffing regarding risk management, internal controls and regulatory compliance. In 2010, the Audit Committee engaged an independent consulting firm to provide a comprehensive approach to assisting the CRO in further developing an effective ERM process and environment that links corporate strategy and risk management. The independent consultant remains engaged in a co-sourcing arrangement to assist with the annual and quarterly ERM risk assessment process and to support the maintenance of a fully integrated ERM process.

The CRO, as the administrator of the ERM program, regularly meets with management, including the CEO, to discuss our various primary areas of risk identified as part of the ERM program, including credit matters and risks related to our loan and investment portfolios; liquidity and market risks; legal, regulatory and compliance risks; and operational, information technology, reputation and strategic risks. As necessary, the Audit Committee meets with the CRO to discuss and analyze risks to S&T without management present. The CRO makes a quarterly ERM presentation to the S&T Board and regularly reports on corporate governance, compliance and risk-related matters at other S&T Board meetings.

The Audit Committee is also responsible for monitoring our compliance risk with respect to regulatory and legal matters, and focuses on financial risk, including internal controls. The Audit Committee annually reviews and evaluates our internal audit function, and meets with our Chief Audit Executive ( CAE ) to review and assess internal audit risks including executive sessions without management present.

Our Enterprise Risk Committee, which is comprised of members of our senior management, including the CRO, CEO, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Banking Officer, CAE and Chief Lending Officer, meets quarterly to discuss the risk exposures of the enterprise, reviews changes to those exposures based on internal and external events, takes action to manage and mitigate such risks, discusses significant policy changes and new products/services, reviews ERM reports before presentation to the S&T Board and promotes proper risk management practices throughout S&T. A corporate policy approved by the S&T Board governs the Enterprise Risk Committee. The Audit Committee periodically receives information from the CRO regarding activities of the Enterprise Risk Committee including overseeing management s implementation and enforcing S&T s risk management policies, procedures and guidelines including adherence to the risk assessment methodology process and documentation thereof, and reviews outstanding management action plans for risk remediation including regulatory examination matters.

The Compensation Committee is responsible for assessing and mitigating risks associated with S&T s compensation practices, both with respect to S&T s Named Executive Officers (as further defined and described in the Compensation Discussion and Analysis section of this Proxy Statement) and its employees generally. The Compensation Committee reviews the incentive compensation arrangements for S&T s Named Executive Officers with the CRO at least annually to discuss and evaluate the risk posed to S&T by its employee compensation plans and to ensure that the compensation arrangements do not encourage the Named Executive Officers to take unnecessary and excessive risks that threaten the value of S&T. The Compensation Committee meets quarterly or as often as it determines is necessary and appropriate.

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Our Credit Risk Committee is responsible for reviewing the credit administration risk management practices and reporting; the performance of the independent loan review function and its assessment of the management of credit risk arising from the lending and lending related functions of S&T; the review of approved commercial loan proposals; credit policy approval; and providing guidance on pertinent credit risk matters including loan related strategies. The Credit Risk Committee meets quarterly or as often as it determines is necessary and appropriate.

Our Trust and Revenue Oversight Committee is responsible for the oversight of all trust activities consistent with the FDIC s Statement of Principles of Trust Department Management and the development and implementation of strategic and tactical initiatives in support of S&T s revenue growth and shareholder value creation. The Trust and Revenue Oversight Committee meets quarterly or as often as it determines is necessary and appropriate.

The Executive Committee is responsible for coordinating Board delegated risk oversight responsibilities across established S&T Board committees including monitoring industry developments and emerging risks and to exercise the authority to act on behalf of the S&T Board between meetings of the Board to the fullest extent permitted by law. The Executive Committee meets at least annually or as often as it determines is necessary and appropriate.

*Employee Compensation Policies and Managing Risk*

We believe our approach to goal setting, setting of targets with payouts at multiple levels of performance, and evaluation of performance results assist in mitigating excessive risk-taking that could harm our value or reward poor judgment by our executives. We believe that several features of our compensation policies and programs reflect sound risk management practices, such as basing incentive awards on the achievement of a predetermined earnings per share ( EPS ) goal, an audited number, and the granting of restricted stock subject to a two or three year vesting that serves the additional purpose of encouraging senior management to make decisions currently that promote long-term growth and retention combined with stock ownership guidelines. All awards granted under the 2014 incentive plans were subject to Compensation Committee review and approval based upon corporate and/or individual performance. The incentive plan for senior management, as described in the Compensation Discussion and Analysis section below, contains a Shareholder Protection Feature, which provides that awards will not be made unless S&T maintains well capitalized capital ratio requirements, as established by applicable regulatory authorities. We believe we have allocated our compensation among base salary and short and long-term compensation target opportunities in such a way as to not encourage excessive risk-taking. The Compensation Committee also reviews compensation and benefits plans affecting employees in addition to those applicable to executive officers. Based on the review by the Compensation Committee, the S&T Board determined that it is not reasonably likely that S&T s compensation and benefit plans would have a material adverse effect on the Company.

**Audit Committee**

The members of the Audit Committee are Jeffrey Grube, Frank Jones, Joseph Kirk (Chairman), Fred Morelli and Frank Palermo. All members meet the independence standards for audit committees established by the SEC and NASDAQ. A written charter approved by the S&T Board governs the Audit Committee and includes the provisions required by the NASDAQ listing standards. A copy of the charter is included on S&T s website www.stbancorp.com, under Corporate Governance. The Audit Committee has provided information regarding the functions performed by the Audit Committee and its membership in the Report of the Audit Committee, included in this Proxy Statement on page 52.

The S&T Board has determined that Mr. Morelli and Mr. Palermo meet the qualifications of an audit committee financial expert under SEC regulations adopted under the Sarbanes-Oxley Act of 2002. Mr. Morelli has 23 years in public accounting experience with over 20 years as a Certified Public Accountant with tax and audit experience, 4 years as a CFO of a private company, 15 years as a Partner of a CPA firm and 6 years as an investment banker. Mr. Palermo is a Certified Public Accountant and Certified Valuation Analyst, with 36 years in public accounting, 4 years as a vice president and controller at a community bank and 8 years as a director of a start-up community bank. This experience and education gives Mr. Morelli and Mr. Palermo an understanding of U.S. generally accepted accounting principles and financial statements; the ability to assess general applications of such principles in connection with accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements presenting a breadth and level of complexity of accounting issues that are comparable to S&T s financial statements; an understanding of internal control over financial reporting; and an understanding of audit committee functions. Mr. Palermo has been designated by the S&T Board as S&T s audit committee financial expert.

**Compensation and Benefits Committee**

The members of the Compensation and Benefits Committee (the Compensation Committee ) are John Delaney, Michael Donnelly, Jeffrey Grube (Chairman), Fred Morelli and Frank Palermo. The Compensation Committee s function is to recommend to the S&T Board action on executive compensation and compensation and benefit changes brought to it by management. A written charter approved by the S&T Board governs the Compensation Committee. A copy of the charter is included on S&T s website www.stbancorp.com , under Corporate Governance. The Compensation Committee is comprised entirely of independent board members, as defined by NASDAQ listing standards.

The Compensation Committee is responsible for our stated compensation strategies, goals and purposes, ensuring that there is a strong link between the economic interests of management and shareholders; that members of management are rewarded appropriately for their contributions to company growth and profitability; and that the executive compensation strategy supports organization objectives and shareholder interests. The Compensation Committee must provide clear direction to management to ensure that its policies and procedures are carried out in a manner that achieves balance and is consistent with safety and soundness. It approves any material exceptions or adjustments to the incentive compensation arrangements established for senior management, and carefully considers and monitors the effects of any approved exceptions or adjustments. It receives and reviews, on an annual or more frequent basis, an assessment by management, with appropriate input from risk management personnel, of the effectiveness of the design and operation of the organization s incentive compensation system in providing appropriate risk-taking incentives. It also reviews periodic reports of incentive compensation awards and payments relative to risk outcomes. It ensures that the incentive compensation arrangements for S&T do not encourage employees to take risks that are beyond S&T s ability to manage effectively. It also performs other related duties as defined in its written charter.

The process, policies and specific determinations of the Compensation Committee with respect to compensation of our Named Executive Officers for fiscal 2014 are described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement.

The Compensation and Benefits Committee Report is on page 38 of this Proxy Statement.

**Nominating and Corporate Governance Committee**

The members of the Nominating Committee are John Delaney, Michael Donnelly, Frank Jones (Chairman), Joseph Kirk, Frank Palermo, and Christine Toretti. The Nominating Committee functions are to assist the S&T Board in reviewing the qualifications and independence of the members of the S&T Board and its various committees on a periodic basis as well as the composition of the S&T Board committees on a periodic basis as well as the composition of the S&T Board as a whole; to oversee the evaluation of the performance of the S&T Board and its committees as a whole; to recommend director nominees to the S&T Board for election by shareholders; and to provide guidance to the S&T Board on corporate governance issues. In addition, the Nominating Committee reviews all transactions with related parties, as further described on page 51 of this

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Proxy Statement. The Nominating Committee oversees the S&T Director Orientation Program and the continuing education programs for all directors. To assist in remaining current with their board duties and committee responsibilities, the S&T Board participates in the New York Stock Exchange Governance Services Board Leadership Program. This Program offers the directors access to a wide range of in-person, peer-based and webinar educational programs on corporate governance, committee duties, board leadership and industry developments.

A written charter approved by the S&T Board governs the Nominating Committee. A copy of the charter is included on S&T s website www.stbancorp.com , under Corporate Governance. The committee is comprised entirely of independent board members, as defined by NASDAQ listing standards.

**Director Qualifications and Nominations; Board Diversity**

The Nominating Committee has adopted, and the S&T Board has ratified, a corporate policy for identifying and evaluating candidates for membership on the S&T Board. The Nominating Committee identifies potential candidates based on suggestions from directors, officers of S&T and S&T shareholders. The Nominating Committee will consider shareholder nominations for directors in accordance with the procedure set forth in Section 202 of S&T s By-laws and applicable law. The procedure provides that a notice relating to the nomination must be timely given in writing to the Corporate Secretary of S&T, at 800 Philadelphia Street, Indiana, PA 15701, prior to the annual meeting. To be timely, the notice must be delivered not earlier than the close of business on the 120th day, nor later than the close of business on the 60th day, immediately preceding the annual meeting. Such notice must be accompanied by the nominee s written consent to be named in the applicable proxy statement and contain information relating to the business experience and background and the nominee s holdings of S&T Common Stock and information with respect to the nominating shareholder. There are no differences in the manner in which the Nominating Committee evaluates candidates for membership on the S&T Board based on whether such candidate is recommended by a shareholder, the Nominating Committee, or by any other source.

In evaluating and selecting nominees to the Board, the Nominating Committee takes into account all factors and criteria it considers appropriate, which includes but is not limited to the following: high personal and professional integrity; sound judgment and exceptional ability; business experience; area of residence in relationship to S&T s geographic market; other directorship experience that would be beneficial to the S&T Board and management of S&T; diversity of experience relative to that of other S&T directors; diversity of age, gender, minority status and level and type of education; whether the candidate will be effective in serving the long-term interests of S&T s shareholders; whether the candidate has sufficient time and energy to devote to the affairs of S&T; whether the candidate possesses a willingness to challenge and stimulate management and the ability to work as part of a team; whether the candidate meets the independence requirements of the NASDAQ listing standards; whether the candidate is free from conflicts of interest with S&T; and any other factors related to the ability and willingness of a new director to serve or an existing director to continue his or her service.

The Nominating Committee may engage a third party search firm to assist it in identifying director candidates, but the Nominating Committee did not do so in 2014. S&T did not receive any timely shareholder nominations for director for consideration for this Annual Meeting. Accordingly, S&T has not rejected or refused such candidates.

**Shareholder Communications with Directors**

Shareholders who desire to communicate with the S&T Board or a specific director should send any communication, in writing, to S&T Bancorp, Inc., 800 Philadelphia Street, Indiana, Pennsylvania 15701, ATTN: Corporate Secretary. Any such communication should state the number of shares beneficially owned by the shareholder. S&T s Corporate Secretary will initially review all communications received in accordance with the Shareholders Communication Policy adopted by the S&T Board. The Corporate Secretary will relay all such communications to the appropriate director or directors on a periodic basis unless the Corporate Secretary determines that the communication does not relate to the business or affairs of S&T or the functioning or constitution of the S&T Board or any of its committees; relates to routine or insignificant matters that do not warrant the attention of the S&T Board; is an advertisement or other commercial solicitation or communication; is frivolous or offensive; or is otherwise not appropriate for delivery to directors. The director or directors who receive any such communication will have discretion to determine whether the subject matter of the communication should be brought to the attention of the full S&T Board or one or more of its committees and whether any response to the person sending the communication is appropriate. Any such response will be made through S&T s management and only in accordance with S&T s policies and procedures and applicable laws and regulations relating to the disclosure of information.

**Code of Conduct and Ethics**

The S&T Board has adopted a Code of Conduct for directors, officers and employees, which is posted on S&T s website www.stbancorp.com, under Corporate Governance. The Code of Conduct addresses the professional, honest and candid conduct of each director, officer and employee; conflicts of interest, disclosure process, compliance with laws, rules and regulations (including insider trading laws); corporate opportunities, confidentiality and fair dealing; protection and proper use of company assets; and encourages the reporting of any illegal or unethical behavior. A waiver for an executive officer or director of S&T may be made only by the S&T Board and must be promptly disclosed as required by SEC or NASDAQ rules. S&T will disclose any such waivers, as well as any amendments to the Code of Conduct, on S&T s website. Shareholders may obtain a printed copy of the Code of Conduct by contacting the Corporate Secretary at the address previously provided.

**Compensation Committee Interlocks and Insider Participation**

The members of the Compensation Committee during 2014 were John Delaney, Michael Donnelly, Jeffrey Grube, Fred Morelli and Frank Palermo. During 2014 S&T Bank made the following payments to members of the Compensation Committee:

S&T Bank made payments of $263,447 for the purchase of printing services and promotional items from companies owned or controlled by Director Donnelly.

S&T Bank made aggregate payments of $182,323 for the purchase and maintenance of vehicles and the lease of a parking lot from companies owned or controlled by Director Delaney. The terms of the parking lot lease agreement provided for a monthly payment of $4,000 until April 30, 2010 with additional four successive renewal options of five years each and one successive renewal option of four years. S&T exercised the first option extending the lease from May 1, 2010 to April 30, 2015. S&T intends to exercise the second option extending the lease another five years from May 1, 2015 to April 30, 2020. The monthly rental shall be increased for each renewal term based on the Consumer Price Index. The monthly payment for the months of January through December of 2014 was $4,975.

In addition, S&T Bank may make extensions of credit to members of the Compensation Committee in the ordinary course of business and on the same terms as available to other non-related parties. See Transactions with Related Parties.

No member of the Compensation Committee was at any time during fiscal 2014 an officer or employee of S&T or any of our subsidiaries, and no member has ever served as an executive officer of S&T. None of our executive officers serves or, during fiscal 2014, served as a member of the board of directors or the compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

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**Compensation Consulting and Advisory Services Fees**

In October 2013, the Compensation Committee engaged Aon Hewitt to review the draft of the S&T Bancorp, Inc. 2014 Incentive Plan (the 2014 Plan ), evaluate and benchmark compensation for the top 12 executive positions at S&T, review the S&T compensation peer group, and review and update the Management Incentive Plan ( MIP ) and Long-Term Incentive Plan ( LTIP ) for 2014. In March 2014, the Compensation Committee engaged Aon Hewitt to review the CD&A for the proxy statement for the 2014 annual meeting of shareholders. Aon Hewitt was also engaged to review S&T s change in control agreements with executives, including the NEOs, and to evaluate the feasibility of implementing an employee stock purchase plan. Aon Hewitt advised the Compensation Committee on the design of the 2015 MIP and 2015 LTIP.

The following shows the consulting fees paid by S&T to advisors to the Compensation Committee of the Board for the calendar year 2014:

| Compensation Consultant | Consulting fees for determining and recommending the amount or form of executive compensation | Additional services provided by Compensation Consultant |
|---|---|---|
| **Aon Hewitt** | **$70,842** | **$ 0** |

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## DIRECTOR COMPENSATION

The Nominating Committee annually reviews the S&T director compensation. S&T s director compensation is designed to align the board of directors with its shareholders and to attract, motivate and retain high performing members critical to our company s success.

The following table provides information concerning compensation paid by S&T to its non-employee directors during 2014.

**Director Compensation Table for Fiscal Year 2014**

| Name | Fees Earned or Paid in Cash ($) | Stock Awards ($) (1)(2) | Option Awards ($) | Non-Equity Incentive Plan Compensation ($) | Changes in Pension Value and Nonqualified Deferred Compensation Earnings ($) | All Other Compensation ($) (3) | Total ($) |
|---|---|---|---|---|---|---|---|
| John J. Delaney | 34,400 | 27,014 | 0 | 0 | 0 | 865 | 62,279 |
| Michael J. Donnelly | 34,500 | 27,014 | 0 | 0 | 0 | 865 | 62,379 |
| William J. Gatti | 36,100 | 27,014 | 0 | 0 | 0 | 865 | 63,979 |
| Jeffrey D. Grube | 42,400 | 27,014 | 0 | 0 | 0 | 865 | 70,279 |
| Frank W. Jones | 43,900 | 27,014 | 0 | 0 | 0 | 865 | 71,779 |
| Joseph A. Kirk | 46,400 | 27,014 | 0 | 0 | 0 | 865 | 74,279 |
| David L. Krieger | 29,400 | 27,014 | 0 | 0 | 0 | 865 | 57,279 |
| James C. Miller | 40,000 | 27,014 | 0 | 0 | 0 | 865 | 67,879 |
| Fred J. Morelli, Jr. | 34,900 | 27,014 | 0 | 0 | 0 | 865 | 62,779 |
| Frank J. Palermo, Jr | 46,100 | 27,014 | 0 | 0 | 0 | 865 | 73,979 |
| Charles A. Spadafora | 1,800 | 0 | 0 | 0 | 0 | 462 | 2,262 |
| Christine J. Toretti | 35,300 | 27,014 | 0 | 0 | 0 | 865 | 63,179 |
| Charles G. Urtin | 65,700 | 27,014 | 0 | 0 | 0 | 865 | 93,579 |

(1) The S&T Board awarded 1,152 restricted shares of Common Stock to each director on the S&T Board on May 19, 2014, with such shares vesting in full on May 18, 2015. The fair market value of the Common Stock granted on May 19, 2014 was $23.45 per share. The values for stock awards in this column represent the grant date fair value of the restricted shares granted in 2014, computed in accordance with FASB ASC Topic 718. Information about the assumptions used to value these awards can be found in Note 20 Incentive and Restricted Stock Plan and Dividend Reinvestment Plan in our Annual Report on Form 10-K for the year ended December 31, 2014. This column includes the value of these stock awards, all of which were issued under the 2014 Plan.

(2) As of December 31, 2014, each director had restricted stock awards of 1,152 shares except for Mr. Spadafora, who retired from the S&T Board effective May 19, 2014. Also, the following directors had outstanding options to purchase the indicated number of shares of Common Stock: John Delaney, 2,500 shares; Michael Donnelly, 2,500 shares; William Gatti, 2,500 shares; Jeffrey Grube, 2,500 shares; Frank Jones, 2,500 shares; Joseph Kirk, 2,500 shares; David Krieger, 11,000 shares; James Miller, 15,000 shares; and Christine Toretti, 2,500 shares.

(3) Each director was paid quarterly dividends for their restricted shares of Common Stock.

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**Directors Compensation**

Employee members of the S&T Board receive no additional compensation for participation on the S&T Board. In 2014, our non-employee directors received compensation for attending board and committee meetings, or training sessions, in the amounts described below.

| | |
|---|---|
| **Directors** | |
| Annual Cash Retainer | $ 22,000 |
| Stock Award(1) | 27,014 |
| Board Committee Fee | 800 |
| Board Committee Fee (phone) | 500 |
| Training/Seminar Fee (Internal per day) | 800 |
| Training/Seminar Fee (External per day) | 1,000 |
| **Committee Chairperson Retainer Fee** | |
| Chairman Retainer | $ 20,000 |
| Vice Chairman Retainer | 2,500 |
| Audit | 10,000 |
| Audit Committee Financial Expert | 10,000 |
| Compensation and Benefits | 7,500 |
| Credit Risk | 7,500 |
| Nominating and Corporate Governance | 7,500 |
| Trust and Revenue Oversight Committee | 2,500 |

(1) The number of shares granted is based on the fair market value of the Common Stock on the date of grant. The S&T Board awarded 1,152 restricted shares of Common Stock on May 19, 2014 with 100% vesting on May 18, 2015. The fair market value of Common Stock on May 19, 2014 was $23.45 per share.

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## PROPOSAL 2: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED

## PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2015

The Audit Committee of the S&T Board appointed the firm of KPMG LLP, independent registered public accounting firm, to audit and report on S&T s financial statements for the fiscal year ending December 31, 2015. Action by shareholders is not required by law in the appointment of independent accountants. However, the S&T Board considers this selection to be an important issue and, therefore, is submitting the selection of KPMG LLP for ratification by the shareholders. If the shareholders do not ratify this selection, the selection will be reconsidered by the Audit Committee.

KPMG LLP has no direct or indirect financial interest in S&T or in any of its subsidiaries, nor has it had any connection with S&T or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Representatives of KPMG LLP will be present at the Annual Meeting and will be afforded an opportunity to make a statement if they desire to do so. It is also expected they will be available to respond to appropriate questions.

**Fees Paid to Independent Registered Public Accounting Firm**

During the fiscal years ended December 31, 2014 and December 31, 2013, KPMG LLP served as S&T s independent registered public accounting firm ( Independent Accountants ).

Fees for professional services provided by our Independent Accountants in each of the last two fiscal years in each of the following categories are:

| | 2014 | 2013 |
|---|---|---|
| Audit Fees | $ 800,580 | $ 839,696 |
| Audit-Related Fees | 5,350 | 66,178 |
| Tax Fees | 0 | 0 |
| All Other Fees | 1,650 | 1,650 |
| | $ 807,580 | $ 907,524 |

Audit Fees includes fees for audit services associated with the annual audit, the reviews of S&T s quarterly reports on Form 10-Q, accounting, consultations and SEC registration statements. The 2014 fees also include assistance with and consent to the Form S-4 registration statement filed in connection with the acquisition of Integrity Bancshares, Inc.

Audit-Related Fees includes fees billed for a Student Lending Audit. The 2013 fees also include services rendered in connection with a SSAE 16 examination for S&T s Wealth Management Division and surprise custody audit procedures for Stewart Capital Advisors, LLC.

All Other Fees for 2014 and 2013 represents subscription fees for an accounting and auditing research tool.

All 2014 and 2013 fees were paid to KPMG LLP.

**Pre-Approval Policies and Procedures**

The Audit Committee is responsible for the approval of all services performed by the Independent Accountants. All services provided by the Independent Accountants in 2014 were pre-approved by the Audit Committee. The Audit Committee is required to pre-approve all audit and non-audit services performed by the Independent Accountants to assure that the provision of such services does not impair the Independent Accountant s independence. In addition, any proposed services exceeding pre-approved cost levels will require

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specific pre-approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated will report any pre-approval decisions to the Audit Committee at its next scheduled meeting for ratification. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the Independent Accountants to management.

**Board Recommendation**

**THE S&T BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF KPMG LLP AS AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2015.**

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## PROPOSAL 3: ADVISORY VOTE ON S&T S EXECUTIVE COMPENSATION

S&T believes that our overall executive compensation program, as described in the Compensation Discussion and Analysis (the CD&A ) elsewhere in this Proxy Statement, is designed to pay for performance and directly aligns the interest of our executive officers with the long-term interests of our shareholders.

The Dodd Frank Wall Street Reform and Consumer Protection Act ( Dodd-Frank Act ) enables our shareholders to vote to approve, on a non-binding basis, the compensation of our Named Executive Officers ( NEOs ) as disclosed in this Proxy Statement in accordance with the SEC s rules. This vote is not intended to address any specific item of compensation or the compensation of any particular officer, but rather the overall compensation of our NEOs and our compensation philosophy, policies and practices. Previously, pursuant to the Dodd-Frank Act, the S&T Board recommended, and the shareholders subsequently approved, that this advisory proposal be submitted to shareholders annually.

Accordingly, S&T is presenting the following advisory proposal, commonly known as the say-on-pay proposal, for shareholder approval:

**Resolved, that the shareholders hereby approve the compensation of our Named Executive Officers as reflected in this Proxy Statement and as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the compensation discussion and analysis, the compensation tables and all related material.**

Because your vote is advisory, it will not be binding upon the S&T Board. In the event this non-binding proposal is not approved by our shareholders, then such a vote shall neither be construed as overruling a decision by the S&T Board or the Compensation Committee, nor create or imply any additional fiduciary duty by the S&T Board or our Compensation Committee, nor further shall such a vote be construed to restrict or limit the ability of our shareholders to make proposals for inclusion in proxy materials related to executive compensation. Notwithstanding the foregoing, the S&T Board and the Compensation Committee will consider the non-binding vote of our shareholders on this proposal when reviewing compensation policies and practices in the future.

### Board Recommendation

**THE S&T BOARD RECOMMENDS A VOTE FOR APPROVAL OF THIS ADVISORY PROPOSAL ON EXECUTIVE COMPENSATION.**

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**EXECUTIVE OFFICERS OF THE REGISTRANT**

As of April 7, 2015, the executive officers of S&T are:

| Named Executive Officer | Age | Principal Occupation During Past 5 Years | Officer of Corporation Since |
|---|---|---|---|
| Todd D. Brice | 52 | President and Chief Executive Officer of S&T and S&T Bank, since April 2008. | 2002 |
| Mark Kochvar | 54 | Senior Executive Vice President and Chief Financial Officer, since February 2010; Executive Vice President, Treasury and Investments, from January 2008 to January 2010. | 2008 |
| David G. Antolik | 48 | Senior Executive Vice President, Chief Lending Officer, since January 2008. | 2004 |
| George Basara | 56 | Executive Vice President, General Counsel and Human Resources Director, since January 2015; Prior to joining S&T, Shareholder of Buchanan Ingersoll & Rooney PC, from September 1995 to December 2014. | 2015 |
| Ernest J. Draganza | 50 | Senior Executive Vice President, Chief Risk Officer and Secretary, since January 2012; Executive Vice President, Chief Risk Officer and Secretary, from February 2010 to December 2011; Senior Vice President, Risk Management Officer, from January 2006 to January 2010. | 2010 |
| Stephen A. Drahnak | 44 | Executive Vice President, Commercial Loan Officer V, since January 2012; Senior Vice President, Commercial Loan Officer V, from January 2006 to December 2011. | 2012 |
| Richard A. Fiscus | 58 | Executive Vice President, Retail Banking Division Manager, since January 2012; Senior Vice President, Retail Banking Division Manager, from January 1999 to December 2011. | 2012 |
| Patrick J. Haberfield | 48 | Senior Executive Vice President, Chief Credit Officer, since July 2013; Executive Vice President, Chief Credit Officer, from May 2010 to June 2013. Prior to joining S&T, Senior Special Assets Officer, Synovus Financial, from March 2009 to May 2010. | 2010 |
| G. Robert Jorgenson | 50 | Executive Vice President, Marketing Division Manager, since January 2015; Senior Vice President, Marketing Division Manager, from November 2004 to December 2014. | 2015 |
| William J. Kametz | 61 | Executive Vice President, Deputy Chief Credit Officer, since June 2014; Senior Vice President, Deputy Credit Officer, from November 2008 to May 2014. | 2014 |
| Malcolm E. Polley | 52 | President and Chief Investment Officer, Stewart Capital Advisors, LLC, since August 2005; Chairman & President, Stewart Capital Mutual Funds, since November 2006; Executive Vice President and Chief Investment Officer of Wealth Management of S&T and S&T Bank, since January 2006. | 2006 |
| William K. Poole | 54 | Executive Vice President since March 2015; Executive Vice President of Integrity Bank from May 2013 to March 2015. Prior to joining Integrity Bank. Mr. Poole served as President and Chief Executive Officer of the Hometowne Heritage Bank Division of National Penn Bank from December 2003 until May 2013. | 2015 |
| David Z. Richards | 54 | Executive Vice President, State College Region since March 2014. Prior to joining S&T, President of the Nittany Region of National Penn Bank, from February 2006 to February 2014. | 2014 |
| David P. Ruddock | 53 | Senior Executive Vice President, Chief Operating Officer, since April 2013; Senior Executive Vice President, Chief Administrative Officer for Market Sales, Bank Operations and Corporate Technology from January 2011 to March 2013; Executive Vice President, Information Technology and Operations, from January 2004 to December 2010. | 2004 |
| Thomas J. Sposito, II | 52 | Senior Executive Vice President since March 2015; Executive Vice President of Integrity Bank from September 2012 to March 2015. Previously served as Integrity Bank Chief Operating Officer and Chief Revenue Officer. Prior to joining Integrity Bank, Executive Vice President, Central Pennsylvania Market Manager for PNC Bank, N.A., from 2007 to 2012. | 2015 |
| Rebecca A. Stapleton | 52 | Senior Executive Vice President, Chief Banking Officer, since June 2014; Executive Vice President, Human Resources and Employee Communications, from January 2012 to May 2014; Senior Vice President, Employee Services Manager, from January 2009 to December 2011. | 2012 |
| LaDawn D. Yesho | 40 | | 2013 |

| | |
|---|---|
| | Executive Vice President and Chief Audit Executive since January 2013; Senior Vice President and Chief Audit Executive, from May 2009 to December 2012. |

## COMPENSATION DISCUSSION AND ANALYSIS

This section of the Proxy Statement is divided into the following sections:


- Introduction
- Executive Summary
- Say on Pay and Shareholder Engagement
- Overview of the Compensation Program for Named Executive Officers
- Components of the Compensation Program
  - Base Salary
  - Management Incentive Awards
  - Long-Term Incentive Plan
  - Certain Other Benefits
- Process for Determining Named Executive Officer Compensation
- Pay for Performance
- 2014 Named Executive Officer Compensation Decisions and Performance Considerations
- Change in Control
- Other Compensation-Related Provisions
- Effect of Taxation on Compensation Programs

Compensation and Benefits Committee Report

**INTRODUCTION**

As the Compensation and Benefits Committee (the Compensation Committee ), we provide the following overview of S&T s executive compensation principles, specific executive compensation programs and pay decisions that we have made in 2014 and early 2015. In addition, we describe the process that we oversee and in which we participate to arrive at specific compensation policies and decisions involving program design and pay for S&T s Named Executive Officers ( NEOs ), who are listed below.

| Name | Title |
|---|---|
| Todd Brice | President and Chief Executive Officer |
| Mark Kochvar | Senior Executive Vice President and Chief Financial Officer |
| David Antolik | Senior Executive Vice President and Chief Lending Officer |
| David Ruddock | Senior Executive Vice President and Chief Operating Officer |
| Patrick Haberfield | Senior Executive Vice President and Chief Credit Officer |

**EXECUTIVE SUMMARY**

S&T experienced a year of solid performance in 2014:

Net income increased $7.4 million, or 14.6 percent, to $57.9 million, or $1.95 per diluted share, compared to $50.5 million or $1.70 per diluted share for 2013.

Return on average assets increased 10 basis points to 1.22 percent compared to 1.12 percent for 2013 and return on average equity increased 50 basis points to 9.71 percent compared to 9.21 percent for 2013.

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- Total average loans increased $259 million, or 7.5%, for the year.
- Total average deposits increased $123 million, or 4.6%, for the year.
- Asset quality remained excellent with net charge-offs to average loans of 0.00% for the year. Net charge-offs for 2014 were only $58 thousand.
- Expenses were well controlled in 2014, decreasing $0.2 million compared to 2013.
- S&T declared a $0.18 per share dividend for the fourth quarter compared to $0.16 in the same period a year ago, an increase of 12.5%.
- Total shareholder return was 21.1%.

S&T s growth strategy continued in 2014 with expansion through a new loan production office in central Ohio and a new branch and lending team in State College, Pennsylvania. S&T s merger with Integrity Bancshares, Inc. was announced on October 30, 2014, and the transaction closed on March 4, 2015. Integrity has eight branches in south-central Pennsylvania and had assets of $844 million as of December 31, 2014. Despite S&T s significant growth in 2014, expenses remained well controlled with a decrease of $0.2 million. Our success in 2014 was a result of our ability to execute on our key strategic initiatives of loan growth, improving asset quality and expense control.

As disclosed in the Compensation Discussion and Analysis section from the proxy statement for the 2014 Annual Shareholders Meeting, we evaluated and approved the following pay adjustments and awards for NEOs for 2014:

- Average salary increase of 6.2%.
- An annual cash incentive award with a target of 35% and 30% of base salary for the CEO and the other NEOs, respectively, under the terms of the 2014 Management Incentive Plan ( 2014 MIP ).
- A long-term incentive award with a target of 40% and 35% of base salary for the CEO and the other NEOs, respectively, granted in the form of time and performance-based restricted shares under the terms of the 2014 Long-Term Incentive Plan ( 2014 LTIP ).

For 2015, we evaluated and approved the following pay adjustments for the NEOs:

- Average salary increase of 6.9%.
- An annual incentive award with a target of 35% and 30% of base salary for the CEO and the other NEOs, respectively, under the terms of the 2015 Management Incentive Plan ( 2015 MIP ).
- A long-term incentive award with a target of 40% and 35% of base salary for the CEO and the other NEOs, respectively, granted in the form of time and performance-based restricted shares under the terms of the 2015 Long-Term Incentive Plan ( 2015 LTIP ).

**SAY ON PAY AND SHAREHOLDER ENGAGEMENT**

S&T is required to provide a separate non-binding shareholder advisory vote on the compensation of S&T s executive officers. At the 2014 Annual Shareholder Meeting, the holders of 18,434,366 shares, or 94.6% of the shares voting on the proposal, voted to approve the non-binding, advisory proposal on the compensation of S&T s executive officers. Because not all shareholders voted their shares, this amounted to 62.0% of the then outstanding common shares.

The vote reflects solid support for S&T s executive compensation policies and practices among shareholders. As a consequence, the Compensation Committee expects to continue to adhere to the compensation policies, principles and programs described below in future years.

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**OVERVIEW OF THE COMPENSATION PROGRAM FOR NAMED EXECUTIVE OFFICERS**

S&T designs its management compensation programs to optimize their alignment with S&T s strategic direction and business environment within which it must create value for shareholders. The primary program objectives have been and continue to be as follows:

- The pay package is structured to cost efficiently attract, retain and reinforce engagement among the leadership team and S&T key contributors;
- Compensation programs are aligned with shareholder interests for an appropriate balance between risk and reward;
- Both individual plan features and the overall pay program are built on principles of sound risk management and effective controls critical to successful navigation of an uncertain environment for financial services; and
- Reward programs are designed to emphasize adherence to strong pay for performance principles.

The Compensation Committee continues to support a pay program with four major program components to help guide compensation decisions:

- **Base Salary:** A base salary position near the median of relevant competitive practices (i.e., calibrated to be consistent with base salary levels for comparable positions in other similar enterprises of similar scope).
- **Management Incentive Plan ( MIP )**: An annual incentive plan with an incentive opportunity that is moderate relative to competitive practices for similar positions at potential competitors for talent. Target annual incentives should drive desired positioning for total compensation to the middle of the market.
- **Long-Term Incentive Plan ( LTIP )**: A long-term incentive program that serves two purposes: (1) to help ensure leadership retention and management continuity as S&T continues to execute its longer-term strategic plan; and (2) to reward management for strong sustained value creation and financial performance.
- **Supplemental Benefits**: Limited additional supplemental benefits that are either consistent with that provided to other employees, or directly created to reinforce a singular commitment from the management team to S&T and its business imperatives.

The Compensation Committee considers overall corporate performance as well as individual initiative and achievements when reviewing and approving all compensation decisions relating to S&T s NEOs: the CEO, the CFO and the three other executive officers named in the Summary Compensation Table. The policy of the Compensation Committee is to provide compensation that is competitive within the banking industry of financial institutions of similar size and product offerings.

The Compensation Committee is actively involved in the oversight of not only NEO compensation but all remuneration programs that have a material cost profile, that could materially affect S&T s risk profile or influence the focus of key contributors on achievement of strategic and tactical objectives.

For NEOs, the Compensation Committee reviews a number of analyses of compensation practices to help facilitate its executive compensation decisions. These include:

Pay mix representing the effectiveness of balancing long-term versus short-term performance imperatives;

Wealth accumulation opportunities in light of existing programs and outstanding rewards;

Current pay relative to peer group practices;

Selective review of compensation data for positions of similar scope and focus; and

Detailed formal review of overall performance and specific performance contributions made to S&T by each NEO.

**Total Direct Compensation Position**

S&T s target pay mix is built on competitive base salaries, with generally moderate annual and long-term incentive targets. The moderate positioning of annual incentives and long-term incentives reflects our commitment to introducing pay program modifications that are both sensitive to the Bank s proactive risk management culture while, at the same time, responding appropriately to the importance of retaining a strong and committed leadership team at the Bank. The Compensation Committee reviews this posture periodically with the help of outside advisors, and continues to believe that the opportunities provided under the incentive plans reflect an appropriate balance between risk and reward, and provide sufficient incentives to align management to achieving S&T s short-term and longer-term objectives.

**COMPONENTS OF THE COMPENSATION PROGRAM**

**Base Salary**

The purpose of base salary is to provide competitive and fair base compensation that recognizes the executives roles, responsibilities, contributions, experiences and performance. Base salary represents a fixed and guaranteed element of compensation that reflects executives long-term performance and market pay level for the role. S&T s base salary policy targets the median of relevant competitive practices. Relevant competitive practices are determined using both a proprietary survey of pay practices at community and regional banks similar in size and scope to S&T and an examination of Peer Bank executive pay practices. The Peer Banks are listed on page 32 of this Compensation Discussion and Analysis ( CD&A ). The Compensation Committee sets each executive s individual pay annually to reflect individual experiences, expertise, performance and contributions in the role. As such, actual base salaries range above and below the median of relevant competitive practices in recognition of these factors, including tenure in role, historical performance and specific bank talent needs.

**Management Incentive Awards**

The purpose of the MIP is to align management s interests to the achievement of S&T s financial, operational and strategic objectives for the year. The MIP provides senior management with an annual cash incentive opportunity designed to: (i) create focus on specific planned performance goals, (ii) deliver a portion of a competitive pay package in a form that is not fixed but varies in relation to the performance of S&T and (iii) serve as a vehicle for recruitment and retention.

For 2014, we adopted the 2014 MIP, with the following features:

The target annual incentive payout was 35% and 30% of base salary for the CEO and the other NEOs, respectively.

The distinguished incentive payout was 45.5% and 39% of base salary for the CEO and the other NEOs, respectively.

70% of each participant s award was earned based on corporate results, and 30% was based on performance relative to individual/unit goals.

Corporate results were determined based on earnings per share ( EPS ) and Revenue (defined as the total of net interest income on a fully taxable equivalent basis plus noninterest income not including securities gains in the plan year).

Each participant had multiple individual goals against which individual performance is evaluated. The framework for establishing these goals was based largely on execution of elements of S&T s strategic plan, including activities centered around multi-faceted growth, profit improvement, operational effectiveness, corporate culture, effective brand and enterprise risk management (i.e., balanced risk and reward).

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The formula used to determine awards is defined as follows:

The corporate performance measures for 2014, EPS and Revenue, were each assigned specific weighting factors, and actual earnings opportunities were based on the Performance Level actually achieved relative to the performance ranges shown in the table below:

| Performance Level | Payout Level Percentage |
|---|---|
| Below Threshold | 0% of Allocated Target |
| Threshold | 25% of Allocated Target |
| Target | 100% of Allocated Target |
| Distinguished | 150% of Allocated Target |

Allocated Target equals the participant s MIP incentive target multiplied by the weighting for each performance category (i.e., 60% for EPS, 10% for Revenue, and 30% for individual objectives.)
The Revenue Performance Measure is an all-or-nothing performance standard in which 100% of the Allocated Target is earned only if the Target Performance Level is met.
The Payout Level Percentages relating to the EPS Performance Measure vary depending on Actual Performance, and its payout curve rises continuously from Threshold to Target and from Target to Distinguished. Therefore, to determine awards between Threshold and Target and Target and Distinguished, linear interpolation would be utilized.

To further strengthen the linkage between the MIP award, risk management and shareholder value creation, the MIP contains a Shareholder Protection Feature in which payouts will not occur for any plan year if S&T falls below well capitalized capital ratio requirements established by regulatory authorities, determined as of and up to the date that any payment would ordinarily occur pursuant to the MIP s provisions. In addition to the Shareholder Protection Feature of the MIP, the MIP is operational only if S&T achieves Return on Average Equity ( ROAE ) for the plan year of at least 5% (the Minimum Gateway Requirement ). The Compensation Committee believes that these features, coupled with the clawback requirements and the use of multiple performance measures, provide for substantial protection against excessive or unnecessary risk-taking by any plan participant.

The Compensation Committee has approved the 2015 MIP, which has similar provisions to the 2014 MIP, except for the adoption of a Deposit Growth Performance Measure in the place of the Revenue Performance Measure. The corporate performance measures are each assigned specific weighting factors, and actual payouts will be based on the Performance Level actually achieved as follows:

| Performance Level | Payout Level Percentage |
|---|---|
| Below Threshold | 0% of Allocated Target |
| Threshold | 25% of Allocated Target |
| Target | 100% of Allocated Target |
| Distinguished | 150% of Allocated Target |

Allocated Target equals the participant s MIP incentive target multiplied by the weighting for each performance category (i.e., 60% for EPS, 10% for Deposit Growth, and 30% for individual objectives.)
The Deposit Growth Performance Measure is an all-or-nothing performance standard in which 100% of the Allocated Target is earned only if the Target Performance Level is met.
The Payout Level Percentages relating to the EPS Performance Measure vary depending on Actual Performance, and its payout curve rises continuously from Threshold to Target and from Target to Distinguished. Therefore, to determine awards between Threshold and Target and Target and Distinguished, linear interpolation would be utilized.

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Award opportunities for 2015 for the NEOs are shown in the table below and reflect the amount payable to NEOs if S&T were to achieve target financial results and the NEOs achieve 100% of their individual objectives for 2015.

| Named Executive Officer | MIP Target % of Base Salary | MIP Target $ of Base Salary |
|---|---|---|
| Todd Brice, President, President and Chief Executive Officer | 35% | $ 204,750 |
| Mark Kochvar, Senior Executive Vice President and Chief Financial Officer | 30% | $ 94,500 |
| David Antolik, Senior Executive Vice President and Chief Lending Officer | 30% | $ 104,100 |
| David Ruddock, Senior Executive Vice President and Chief Operating Officer | 30% | $ 89,400 |
| Patrick Haberfield, Senior Executive Vice President and Chief Credit Officer | 30% | $ 80,100 |

**Long-Term Incentive Plan**

The LTIP is designed to: (i) create focus on specific long-term goals aligned with shareholder interests, (ii) deliver a portion of a competitive pay package in a form that is not fixed but varies in relation to the long-term performance of S&T and (iii) serve as a vehicle for recruitment and retention.

The 2014 LTIP included the following features:

The target incentive payout was 40% and 35% of base salary for the CEO and other NEOs, respectively.

The incentive payout is denominated in restricted stock by dividing the target incentive by a grant date share value.

One half of the shares will be earned based on remaining with S&T for three years (time-based restricted share awards vest on the second and third anniversaries of their grant date).

The other half will be earned based on performance relative to the Peer Banks and is referred to as the Performance-Based Restricted Share ( PBRS ) Target.

The number of PBRSs earned may rise to 150% of the PBRSs originally granted to a participant if Return on Average Equity performance is at the distinguished level (see below) and Total Shareholder Return is above half the Peer Banks. The number of PBRSs can fall to zero shares if performance is below the threshold level. If the number of shares earned exceeds the number of PBRSs issued to a participant (because performance is above target) S&T issues additional unrestricted shares upon vesting so that the participant receives the full number of shares earned.

The 2014 LTIP contains the same Shareholder Protection Feature and Minimum Gateway Requirement as described earlier for the 2014 MIP. The Compensation Committee believes that these features, coupled with the restricted stock and clawback requirements, provide for substantial protection against excessive or unnecessary risk-taking by any plan participant. The 2014 LTIP puts a greater focus on performance and serves to create a balance between long-term and short-term performance imperatives, beyond that offered by the annual cash incentive under the MIP.

Two metrics are used to determine the percentage of the PBRS Target earned through vesting of the PBRS awards (also referred to as performance shares):

**(1) Return on Average Equity ( ROAE ) for 2014 through 2016 relative to Peer Banks**

Participants can earn from 0% to 120% of their PBRS Target based on this metric as summarized below:

| Performance Level | ROAE for 3-year Performance Period Relative to Peer Banks | Vesting Percentage[(a)] |
|---|---|---|
| **Below Threshold** | Below the $40^{th}$ percentile of the Peer Banks | 0% of Target |
| **Threshold** | $40^{th}$ percentile of the Peer Banks | 25% of Target |
| **Target** | $60^{th}$ percentile of the Peer Banks | 100% of Target |
| **Distinguished** | $75^{th}$ percentile of the Peer Banks | 120% of Target |

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(a) The Vesting Percentage for ROAE will vary depending on actual performance. The payout curve rises continuously from Threshold to Target and from Target to Distinguished. Therefore, to determine awards between Threshold and Target and Target and Distinguished, linear interpolation would be utilized.

**(2) Cumulative Total Shareholder Return for 2014 through 2016 relative to Peer Banks**

Participants can earn an additional 30% of their PBRS Target if S&T s cumulative Total Shareholder Return ( TSR ) for the three year performance period exceeds the cumulative TSR for more than half of S&T s peers (i.e. exceeds 50th percentile of the Peer Banks).

The Compensation Committee has approved the 2015 LTIP, which has similar provisions to the 2014 LTIP, and has a three-year performance period of January 1, 2015 through December 31, 2017.

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**Certain Other Benefits**

S&T provides other benefits, or perquisites, to the NEOs that are comparable to the other benefits provided at the Peer Banks. The Compensation Committee believes that perquisites should be appropriately limited in scope and value. The primary perquisites for the NEOs are the company contributions to a qualified defined contribution plan and a nonqualified deferred compensation plan, a defined benefit program, a company car or car allowance, payment of the initiation fees and dues for social or country club memberships and a welfare benefit plan.

S&T maintains the Thrift Plan for Employees of S&T Bank (the Thrift Plan ), which is a qualified defined contribution plan. All employees may participate in the Thrift Plan with elective salary deferrals, or 401(k) contributions. During 2014, S&T made matching contributions equal to 100% of the first 1% of the employees eligible compensation and 50% of the next 5% of the employees eligible compensation, up to a maximum of 3.5% of the employees eligible compensation. S&T considers the matching contributions to the Thrift Plan as an important incentive for employees to contribute toward their own retirement savings. In 2014, S&T made the following matching contributions to the Thrift Plan for each NEO: Mr. Brice, $9,100; Mr. Kochvar, $8,050; Mr. Antolik, $6,125; Mr. Ruddock, $9,100; and Mr. Haberfield, $9,100.

S&T established the S&T Bancorp, Inc. Supplemental Savings and Make-Up Plan (the Nonqualified Plan ) in 1995 in order to provide certain management employees, including executives, the ability to make up for certain benefits that would normally be provided under S&T s qualified plans except for federal tax laws setting annual compensation limits for qualified plans and additional limitations related to highly-compensated employees. The Nonqualified Plan was amended for compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the Code ), and the regulations and other guidance promulgated thereunder ( Section 409A ) in December 2008, and again in 2012 to allow for employer discretionary contributions. S&T makes employer contributions to this plan that cannot be made to the qualified plans due to the aforementioned limits. During 2014, S&T contributed to the Nonqualified Plan for Mr. Brice $9,587; Mr. Kochvar, $0; Mr. Antolik, $6,202; Mr. Ruddock, $0; and Mr. Haberfield, $100,000. The contribution to Mr. Haberfield was a discretionary contribution which is scheduled to vest 50% upon completion of his fifth year of service and 10% annually after completion of each of the next five years.

S&T maintains a defined benefit pension program for eligible employees hired before January 1, 2008, including NEOs hired before that date. The NEOs defined benefit pension benefit is determined from two sources: (1) the qualified defined benefit retirement plan; and (2) a nonqualified supplemental plan. The benefits provided under these two sources are described beginning on page 45 of this Proxy Statement. The value of such defined benefit pension benefits changes as compensation, service length, discount rate and mortality assumptions change. Consequently, the value credited to each NEO in the Summary Compensation Table on page 41 of this Proxy Statement as Change in Pension Value is a function of a number of assumptions required to calculate the present value of benefits. The present value of the pension can change without the accrual of additional benefits to the NEO, but as a result of a change in interest rates. More specifically, 48% of the Change in Pension Value amount shown for 2012 in the Summary Compensation Table is due to lower interest rates, which increased the present value of pension benefits. In 2013, interest rates rose, so the inverse occurred, resulting in a negative Change in Pension Value for the NEOs, except for Mr. Kochvar who had a $16,200 Change in Pension Value due to his compensation increases over the past five years. A negative Change in Pension Value is treated as a zero change for purposes of the Summary Compensation Table. For 2014, 49.5% of the increase in the Change in Pension Value amount shown in the Summary Compensation Table is attributable to a 75 basis point decrease in interest rates.

S&T s executives frequently drive vehicles on company business. Therefore, S&T provides either a company car or a car allowance to executives. Executives are responsible for reporting the amount of personal use of company cars to S&T, so that the taxable income from such use can be reported in the executives compensation. Executives who do not have a company car receive an annual car allowance of $6,000 or $7,200, depending upon the frequency that the executive drives. The car allowance is fully taxable compensation.

S&T pays for certain members of senior management to belong to one or more private clubs, if the member of management has significant customer contact and involvement in the community. S&T considers a social or country club to be an appropriate venue to entertain customers and to participate in various community functions. Expenses of a personal nature or related to a spouse are not paid by S&T.

Other benefits generally provided to all officers and full-time employees include the S&T Bank Welfare Benefit Plan. This plan has provisions for medical reimbursement, dental coverage, vision care coverage, long-term disability income, a flexible spending account, a health savings account and life insurance. If S&T hires or initiates a transfer of an employee, including an NEO, with special skills and requires a relocation of more than 35 miles, the employee may be eligible for reimbursement of the costs of house hunting trips, closing on the sale of the old home and the purchase of the new home, temporary living quarters and moving household goods and furniture. In these circumstances S&T will also gross up taxable relocation reimbursements for federal taxes.

## PROCESS FOR DETERMINING NAMED EXECUTIVE OFFICER COMPENSATION

### Compensation Approval Process

Executive compensation decisions are made by the Compensation Committee. Each member of the Compensation Committee is a non-employee director and qualifies as an independent director under the NASDAQ listing standards. The Compensation Committee independently decides the compensation that S&T will pay the CEO. For the remaining executive officers, the CEO makes recommendations to the Compensation Committee, which reviews, approves or adjusts the recommendations. The Compensation Committee meets in an executive session to discuss and finalize its decisions regarding the CEO s compensation. The S&T Board reviews all decisions relating to the compensation of executive officers, except for decisions about awards under the S&T Bancorp, Inc. 2014 Incentive Plan (the 2014 Plan ), the MIP and the LTIP, which are made solely by the Compensation Committee with input from the CEO on all other NEOs. The Compensation Committee may delegate to its chairperson such power and authority as the Compensation Committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole Compensation Committee or a subcommittee of at least two members.

The Compensation Committee operates under a written charter approved by the S&T Board, which it reviews, modifies as necessary and reaffirms on an annual basis. The Compensation Committee charter is available in the Corporate Governance section of our website at: www.stbancorp.com.

### Role of the Executive Compensation Advisor to the Compensation and Benefits Committee

During 2014 and early 2015, the Compensation Committee engaged Aon Hewitt to serve as an advisor to the Compensation Committee for executive compensation, including the NEOs. The Compensation Committee has monitored the relationship with Aon Hewitt carefully and has determined that the advice provided on NEO pay meets the highest standards of internal and external defensibility and that Aon Hewitt is independent and that there were no conflicts of interest resulting from retaining Aon Hewitt for such engagement. In reaching these conclusions, the Compensation Committee considered the factors set forth in both SEC rules and NASDAQ listing standards.

### Role of Management (CEO)

The Compensation Committee reviews and approves the salary of Mr. Brice, the President and Chief Executive Officer, annually. The salaries for the other NEOs are reviewed by Mr. Brice, and are presented for approval to the Compensation Committee on an annual basis, typically in December. For 2013, 2014 and 2015, the Compensation Committee accepted the CEO s salary recommendation for executives, including the NEOs.

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**Use of Competitive Data**

The Compensation Committee reviews comparisons of the compensation programs established by peer banks for executives having similar responsibilities to S&T s executives to establish competitive benchmarks for S&T s compensation program. Aon Hewitt prepared the comparisons for 2013 and 2014, respectively. The peer banks are based on similar size and scope to S&T, operating both inside and outside S&T s geographic market, and include the following banks for pay comparison purposes (collectively, the Peer Banks ):

| | |
|---|---|
| 1st Source Corporation | Independent Bank Corporation |
| BancFirst Corporation | NBT Bancorp, Inc. |
| Berkshire Hills Bancorp, Inc. | Peoples Bancorp, Inc. |
| Chemical Financial Corporation | Renasant Corporation |
| City Holding Company | Sandy Spring Bancorp, Inc. |
| Community Bank System, Inc. | Univest Corporation of Pennsylvania |
| First Busey Corporation | Union First Market Bankshares |
| First Commonwealth Financial Corporation | WesBanco, Inc. |
| First Merchants Corporation | WSFS Financial Corporation |

For 2013, F.N.B. Corporation was included in the Peer Group, but was removed for 2014 and 2015 due to its larger asset size.

## PAY FOR PERFORMANCE

**Pay for Performance Alignment**

As described in the preceding discussions of the MIP and LTIP, the Compensation Committee approved incentive opportunities under the MIP and the LTIP for executives in 2014. The executives also continued to have opportunities to benefit from corporate financial performance through performance-based restricted stock awards under the 2012 LTIP.

## 2014 NAMED EXECUTIVE OFFICER COMPENSATION DECISIONS AND PERFORMANCE CONSIDERATIONS

The following summarizes the pay actions and decisions made for 2014 for each component of pay for each NEO.

**Base Salary Decisions**

When appropriate, the Compensation Committee increases base salaries both to ensure consistency with market competitive practices and to recognize the critical value of each senior executive s management of S&T. In 2014, base salary increases were provided to NEOs in recognition of better than expected financial results in 2013, due to much improved asset quality, solid loan growth, successful integration of 2012 mergers and the implementation of expense control initiatives. For 2015, Compensation Committee approved salary increases that recognized each NEO s success in 2014 in executing our key strategic initiatives of loan growth, improving asset quality and expense control. The following table summarizes base salary decisions made for NEOs for 2014 and 2015.

| Name | 2013 Salary (Effective 1/01/2013) | 2014 Salary (Effective 1/01/2014) | % Increase | 2015 Salary (Effective 1/01/2015) | % Increase |
|---|---|---|---|---|---|
| Todd Brice | $ 525,000 | $ 550,000 | 4.76% | $ 585,000 | 6.37% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Mark Kochvar | $ | 278,000 | $ | 295,000 | 6.12% | $ | 315,000 | 6.78% |
| David Antolik | $ | 302,000 | $ | 322,000 | 6.62% | $ | 347,000 | 7.77% |
| David Ruddock | $ | 265,000 | $ | 279,000 | 5.28% | $ | 298,000 | 6.81% |
| Patrick Haberfield | $ | 237,500 | $ | 250,000 | 5.26% | $ | 267,000 | 6.80% |

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**Summary of Management Annual Incentive Decisions for 2014 Performance**

Our 2014 EPS result of $1.95 exceeded the $1.90 Distinguished Performance Level, resulting in a Payout Level Percentage of 150% of the 60% Allocated Target. The Revenue Performance Measure was not met, with actual revenue of $199.8 million, slightly less than the Target Performance Level of $200.4 million; therefore, none of the 10% Allocated Target was earned. Based on achieving the Distinguished Performance Level of EPS and the level of achievement of individual/unit goals, at its meeting on March 16, 2015, the Compensation Committee approved the following cash awards under the 2014 MIP to each NEO:

| **Named Executive Officer** | **Award** |
|---|---|
| Todd Brice, President, President and Chief Executive Officer | $ 225,225 |
| Mark Kochvar, Senior Executive Vice President and Chief Financial Officer | $ 103,678 |
| David Antolik, Senior Executive Vice President and Chief Lending Officer | $ 115,920 |
| David Ruddock, Senior Executive Vice President and Chief Operating Officer | $ 99,185 |
| Patrick Haberfield, Senior Executive Vice President and Chief Credit Officer | $ 90,000 |

The award amounts are disclosed in the Summary Compensation Table on Page 41 of this Proxy Statement.

**2014 Long-Term Incentive Awards**

On May 19, 2014, the Compensation Committee awarded the NEOs equity denominated long-term incentive awards under the 2014 LTIP. Grants were made at a grant price equal to $23.19 per share, which was the average of the high and low price of S&T Common Stock for the ten trading days ending on the grant date. Each NEO s target award consists of the following:

Half in the form of performance-based restricted shares which are earned over a three-year period based on return on average equity performance relative to S&T s Peer Banks (identified on page 32 of the report); and

Half in the form of time-based restricted shares which vest in equal amounts on the second and third anniversaries of their grant date. If an NEO terminates employment prior to full vesting of any incentive award under the 2014 LTIP for any reason other than death or disability, or retirement in the case of time-based restricted shares, the award, to the extent not previously vested, shall be forfeited.

The following awards were granted under the 2014 LTIP to the NEOs:

| **Named Executive Officer** | **Value of 2014 LTIP Award** | **Number of Time-Based Shares** | **Number of Performance-Based Shares** |
|---|---|---|---|
| Todd Brice, President and Chief Executive Officer | $ 220,000 | 4,744 | 4,743 |
| Mark Kochvar, Senior Executive Vice President and Chief Financial Officer | $ 103,250 | 2,226 | 2,226 |
| David Antolik, Senior Executive Vice President and Chief Lending Officer | $ 112,700 | 2,430 | 2,430 |
| David Ruddock, Senior Executive Vice President and Chief Operating Officer | $ 97,650 | 2,106 | 2,105 |
| Patrick Haberfield, Senior Executive Vice President and Chief Credit Officer | $ 87,500 | 1,887 | 1,886 |

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As of March 31, 2015 and projected as of December 31, 2015, NEOs have the following outstanding restricted shares under the 2014 LTIP:

| Named Executive Officer | Outstanding Restricted Shares March 31, 2015 | Outstanding Restricted Shares December 31, 2015 |
|---|---|---|
| Todd Brice | 9,487 | 9,487 |
| Mark Kochvar | 4,452 | 4,452 |
| David Antolik | 4,860 | 4,860 |
| David Ruddock | 4,211 | 4,211 |
| Patrick Haberfield | 3,773 | 3,773 |

**CHANGE IN CONTROL**

Effective January 1, 2007, S&T began entering into change in control agreements with selected officers in senior management, including all the NEOs. These agreements were put in place to help ensure that S&T s leadership team remains engaged and focused should the organization ever become the target of a change in control where their jobs or ongoing compensation could be at risk. On December 31, 2008, S&T restated these change in control agreements for the purpose of complying with the requirements of Section 409A. Effective April 7, 2015, S&T restated these change in control agreements for the purpose of updating them to reflect current market practices. The primary terms and compensation payments contemplated by the agreements have been modified but now also include robust non-competition and non-solicitation provisions, one or both of which must be agreed to by the executive in order to receive the benefits provided. The agreements provide for the following compensation:

S&T s CEO will receive a lump sum payment of 300% of his base salary if: (1) his employment is involuntarily terminated without cause within six months preceding a change in control; (2) his employment is involuntarily terminated without cause within three years following a change in control (as defined below); or (3) he terminates his employment for good reason (as defined below) within three years following a change in control.

Depending upon their date of promotion, the other NEOs will receive a lump sum payment of either 100% or 200% of his/her base salary if: (1) the NEO s employment is involuntarily terminated without cause within six months preceding a change in control; (2) the NEO s employment is involuntarily terminated without cause within two years following a change in control (as defined below); or (3) the NEO terminates his/her employment for good reason (as defined below) within two years following a change in control.

The agreements define good reason as the occurrence of any of the following (without the executive s consent) after a change in control:

A material diminution of the executive s duties, authority or responsibility, or any material change in the geographic location at which the executive must perform services (in this case, a material change means any location more than 40 land miles from the location prior to the change in control);

A material breach of the obligation imposed under the agreement for S&T (or any successor) to (a) continue to provide the executive after a change in control with benefits substantially similar to those enjoyed by the executive under any of S&T s pension, life insurance, medical, health and accident, disability or other welfare plans (but not including any incentive or equity-based compensation plans) in which the executive was participating at the time of the change in control, unless the nature of the change in benefit levels is consistent with changes to benefits levels provided to employees at the same or equivalent level or title as the executive; or (b) provide the executive with the number of paid vacation days to which the executive is entitled to on the basis of years of service with S&T in accordance with S&T s normal vacation policy in effect at the time of a change in control;

A material breach of the obligation imposed under the agreement that the agreement be binding upon any successor to S&T; or

A reduction of more than 10% in the executive s annual base salary by S&T.

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An executive cannot terminate for Good Reason unless (a) the executive shall have given written notice of such event to S&T within ninety (90) days after the initial occurrence thereof, (b) S&T shall have failed to cure the situation within thirty (30) days following the delivery of such notice (or such longer cure period as may be agreed upon by the parties), and (c) the executive terminates employment within six (6) months after the initial notification of the event constituting Good Reason.

A change in control is defined in the agreements as the occurrence of any of the following:

- Any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act in effect on the date first written above), other than a pension, profit-sharing or other employee benefit plan established by S&T, that is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act in effect as of the date first written above), directly or indirectly, of securities of S&T representing twenty- five percent (25%) or more of the combined voting power of the S&T s then outstanding securities;

- During any period of two consecutive years, individuals who at the beginning of such period constitute the S&T Board cease for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least a majority of the directors then in office who were directors at the beginning of the period;

- The consummation of a merger or consolidation of S&T with any other corporation, other than a merger or consolidation which would result in the voting securities of S&T outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of S&T or such surviving entity outstanding immediately after such merger or consolidation;

- The stockholders of S&T or the Board of Directors of S&T approve a plan of complete liquidation or an agreement for the sale of or disposition (in one transaction or a series of transactions) of all or substantially all of S&T s assets; or

- Any other event that constitutes a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act or any successor provision.

The agreements specifically exclude public stock offerings by S&T and convertible debt offerings by S&T from the definition of change in control.

Payments under the agreements shall be paid or provided (or commence to be paid or provided) within five (5) business days after the executive has satisfied the requirement that executive sign an irrevocable release of all claims against S&T, subject to a six-month delay for compliance with Section 409A, if necessary. (See Tax Considerations below). The CEO and NEOs who receive either 200% or 300% of their salary and annual bonus in a change in control will also be subject to twelve (12) month non-competition and non-solicitation covenants, which are included in their release of claims. NEOs who receive 100% of salary and annual bonuses are subject to twelve (12) month non-solicitation covenants. Each agreement provides that if the executive s employment is terminated without cause, or terminates for good reason, within the three or two years of a change in control, as applicable for that particular executive, he will also receive payments equal to the amount of money required to maintain health benefits under COBRA. These additional benefits will continue for three years for the President and CEO and for two years for the other NEOs. Each agreement provides that, in the event any benefit received by a NEO in connection with a change in control or in connection with the termination of the NEO s employment (whether pursuant to the agreement or any other plan, arrangement or agreement) (collectively, the Total Benefits ) would be subject to the excise tax imposed under Section 4999 of the Code (the golden parachute excise tax), then the Total Benefits will be reduced to the extent necessary so that no portion of the Total Benefits is subject to such excise tax. The Compensation Committee believes that the agreement provides reasonable protection to the individual members on the senior management team and thereby aligns senior management s interest with S&T s shareholders.

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## OTHER COMPENSATION-RELATED PROVISIONS

### Stock Ownership Guidelines

The Compensation Committee continues to believe that stock ownership in S&T is important to align shareholder and management interests. On December 17, 2007, the Compensation Committee adopted stock ownership guidelines for certain executives, including the NEOs, beginning on January 1, 2008. Under the guidelines, the CEO, senior executive vice presidents, executive vice presidents and senior vice presidents should own Common Stock having a market value equal to the following multiple of the individual s base salary:

| Role | Multiple of Fair Market Value of Common Stock |
|---|---|
| President and Chief Executive Officer | 3X |
| SEVPs and EVPs | 2X |
| SVPs | 1X |

Currently, Messrs. Brice, Kochvar, Antolik and Ruddock meet the ownership guidelines. The guidelines do not establish a deadline for compliance with the stock ownership requirements; however, the Compensation Committee established additional guidelines that limit senior management to the right to liquidate only the number of the vesting restricted shares of common stock sufficient for paying current tax liabilities on the vesting shares, until the officer achieves the stock ownership guidelines.

### Claw-Back Feature

The Compensation Committee adopted a claw-back feature in 2010. All payments are subject to claw-back provisions that can result in the awards being canceled or prior payments recouped. These claw-back provisions allow S&T to claw back any bonus, retention award or incentive compensation paid (or under a legally binding obligation to be paid) to an NEO or any of our next 20 most highly-compensated employees if the payment was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

### Risk Mitigation in Plan Design

The Compensation Committee considers, in establishing and reviewing the executive compensation program, whether the program encourages any unnecessary or excessive risk taking and concludes:

- S&T s compensation plans do not encourage executives to take unnecessary and excessive risks that could threaten the value of S&T;

- The compensation plans are structured so that their potential for generating unacceptable risk that could materially affect the value of S&T is limited; and

- The compensation plans are not structured to create substantial opportunities to benefit due to material manipulation of financial results.

In addition, at least annually, the Compensation Committee discusses, evaluates and reviews with S&T s CRO the compensation arrangements to ensure that: (i) the compensation plans for senior management (senior vice presidents or higher) do not encourage the members of senior management to take unnecessary and excessive risks that threaten the value of the S&T, (ii) the compensation plans for employees do not pose unnecessary risks to S&T, and (iii) the compensation plans for employees do not encourage the manipulation of reported earnings to enhance the compensation of any of S&T s employees.

### Employment Agreements

S&T does not provide employment agreements for any of the NEOs. S&T believes in a policy of at will employment arrangements.

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**EFFECT OF TAXATION ON COMPENSATION PROGRAMS (TAX CONSIDERATIONS)**

**Code Sections 162(m) and 409A**

The Compensation Committee believes that it has structured the compensation program to comply with Code Sections 162(m) and 409A. Section 162(m) of the Code generally denies a deduction to any publicly held corporation for compensation paid to its chief executive officer and its three other highest paid executive officers (other than the chief financial officer) to the extent that any such individual s compensation exceeds $1 million.

Qualified performance-based compensation (as defined for purposes of Section 162(m)) is not taken into account for purposes of calculating the $1 million compensation limit, provided certain disclosure, shareholder approval and other requirements are met. The Compensation Committee is monitoring the effects of S&T s compensation programs with regard to Section 162(m). To date, S&T has not suffered a loss of compensation deduction as a result of the $1 million limitation, and the Compensation Committee intends to take actions to minimize S&T s exposure to nondeductible compensation expense under Section 162(m) of the Code. While keeping this goal in mind, however, the Compensation Committee reserves the right to maintain flexibility with respect to S&T s executive compensation programs, including the awarding of compensation that may not be deductible when it believes that such payments are appropriate and in the best interests of the shareholders.

If an executive is entitled to nonqualified deferred compensation benefits that are subject to Section 409A of the Code, and such benefits do not comply with Section 409A of the Code, the executive would be subject to adverse tax treatment, including accelerated income recognition (in the first year that benefits are no longer subject to a substantial risk of forfeiture) and a 20% penalty tax pursuant to Section 409A of the Code. Compensation and benefit arrangements were required to be amended to comply with Section 409A of the Code as of January 1, 2009. S&T adopted Section 409A compliance amendments prior to January 1, 2009 (as required) and will continue to monitor its existing and future plans and arrangements for continued compliance with Section 409A of the Code.

**Gross-ups and IRC Section 280G**

S&T does not provide any tax gross-ups to any NEOs or any other employee that may have the right to a payment upon a change in control.

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## COMPENSATION AND BENEFITS COMMITTEE REPORT

We, the Compensation and Benefits Committee (the Compensation Committee ) of the Board of Directors of S&T Bancorp, Inc. ( S&T ), have reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with S&T s management, and, based on such review and discussion, have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and S&T s Annual Report on Form 10-K for the year ended December 31, 2014.

**Review of Risk Associated With Compensation Plans**

In accordance with S&T corporate policy, the Compensation Committee reviewed the incentive compensation arrangements for senior management (senior vice president and higher) with S&T s Chief Risk Officer and personnel acting in a similar capacity, to ensure that these incentive compensation arrangements do not encourage members of senior management to take unnecessary and excessive risks that threaten the value of the institution. The Compensation Committee meets annually with the Chief Executive Officer, Chief Risk Officer and the Director of Human Resources to, among other things:

(1) Discuss the long-term and short-term risks that the bank faces that could threaten the value of S&T;

(2) Identify the features of the S&T s incentive compensation arrangements that could lead members of senior management to take such risks or focus on short-term results and how to limit those features; and

(3) Review the employee compensation plans and eliminate features in those plans that could encourage manipulation of reported earnings.

The Compensation Committee reviewed the following senior management compensation plans and employee compensation plans: the 2014 Management Incentive Plan ( 2014 MIP ); the 2014 Long-Term Incentive Plan ( 2014 LTIP ); the 2014 Employee Incentive Plan ( 2014 EIP ); the Commercial Lender Incentive Plan, an incentive for commercial lending employees based on loan fee income and new deposits generated; and 28 other employee incentive compensation plans that were determined by the Compensation Committee to be low risk.

On March 17, 2014, the Compensation Committee approved the 2014 MIP, the 2014 LTIP and the 2014 EIP. The purpose of the 2014 MIP was to provide senior management with an annual incentive opportunity designed to: (i) create focus on specific planned performance goals, (ii) deliver a portion of a competitive pay package in a form that was not fixed but varies in relation to the performance of S&T and (iii) serve as a vehicle for recruitment and retention. The 2014 MIP provided for an annual incentive based on individual performance and S&T s financial performance relative to goal for EPS and for revenue (the total of net interest income on a fully taxable equivalent basis plus noninterest income not including securities gains in the plan year). The target annual incentive payout was based on a percentage of base salary, as follows: the Chief Executive Officer, 35%; Senior Executive Vice President, 30%; Executive Vice President, 20%; and Senior Vice President, 10%. For the Chief Executive Officer, Senior Executive Vice Presidents and Executive Vice President, 70% of each participant s award was earned based on corporate results (60% EPS and 10% revenue), and 30% was based on performance relative to individual goals. For Senior Vice Presidents, each participant s award was based 50% on corporate results (40% EPS and 10% revenue) and 50% on performance relative to individual goals.

For 2014, the Compensation Committee determined that S&T achieved the distinguished level for its EPS financial performance goal (at least $1.90) with an EPS of $1.95, but the revenue earned of $199.8 million was under the revenue goal of $200.4 million. Since S&T met the Shareholder Protection Feature (that is, exceeded the well-capitalized capital ratio requirement) and the Minimum Gateway Requirement (at least 5% ROAE), the Compensation Committee determined that payments would be made under the 2014 MIP for its EPS financial performance for the 2014 fiscal year. The Compensation Committee also reviewed senior management s performance relative to individual goals and approved payments for achievement of those individual goals.

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The 2014 LTIP provides senior management with a long-term incentive opportunity designed to: (i) create focus on specific long-term goals aligned with shareholder interests, (ii) deliver a portion of a competitive pay package in a form that is not fixed but varies in relation to the long-term performance of S&T and (iii) serve as a vehicle for recruitment and retention. The target incentive is based on a percentage of base salary, as follows: Chief Executive Officer, 40%; Senior Executive Vice President, 35%; Executive Vice President, 25%; and Senior Vice President, 10%. The incentive is in the form of shares of long-term restricted stock equal to the target incentive divided by a grant date share value. One half of the shares will be earned based on remaining with S&T for two to three years (time-based restricted share awards). The other half will be earned based on S&T s ROAE performance over a three-year period compared to the Peer Banks (performance-based restricted share awards). The number of performance-based restricted share awards earned may rise to 120% of the target number of shares or shrink to zero shares based on performance. Participants can earn an additional 30% of their target incentive if S&T s cumulative Total Shareholder Return ( TSR ) for the three year performance period exceeds the cumulative TSR for more than half of S&T s Peer Group (i.e., exceeds the 50th percentile of the Peer Group). The maximum payout of performance-based restricted share awards under the 2014 LTIP is 150% of the target incentive for such awards. Payments to the NEOs will be made in the form of shares of long-term restricted stock subject to vesting requirements and transferability restrictions. Payments are also subject to claw-back provisions, whereby a payment may be recovered by S&T if it was based on materially inaccurate financial statements (which includes, but is not limited to, statements of earnings, revenues, or gains) or any other materially inaccurate performance metric. The LTIP contains the same Shareholder Protection Feature and Minimum Gateway Requirement as the 2014 MIP as described above. The Compensation Committee believes that these features, coupled with the long-term restricted stock and claw-back requirements, provides for substantial protection against excessive or unnecessary risk-taking by any plan participant.

The 2014 EIP provided a cash incentive opportunity to all employees under the level of senior vice president, based on the achievement of a predetermined EPS goal that the Compensation Committee approved. The employees earn a percentage of their eligible compensation. The EPS goals and incentive percentages for 2014 were: $1.60 for a 1% incentive, $1.75 for a 2% incentive, and $1.90 and above for a 3% incentive. Eligible employees earned a 3% incentive for 2014, since the S&T achieved an EPS of $1.95. The Compensation Committee implemented the 2015 Employee Incentive Plan, which is substantially similar to the 2014 EIP and is based on EPS goals.

The Compensation Committee also reviewed the three-year performance award under the 2012 Long-term Incentive Plan ( 2012 LTIP ). On March 19, 2012, the Compensation Committee awarded senior management, including the Named Executive Officers, equity denominated long-term incentive awards under the 2012 LTIP. The target award consisted of 50% in the form of performance-based restricted shares which earned over a three-year period based on return on equity performance relative to S&T s Peer Banks and 50% in the form of time-based restricted shares which vested in equal amounts on the second and third anniversaries of their grant date. The Compensation Committee determined that S&T was in the 57th percentile of its Peer Banks, which resulted in the vesting of 50% of the performance-based restricted share awards.

In 2014, the Compensation Committee engaged Aon Hewitt to review the CD&A for the 2014 proxy statement, the MIP and LTIP for 2015, the change in control agreements for S&T s executives, and the feasibility of an implementing an employee stock purchase plan.

After a careful evaluation of all employee incentive plans, the Committee concluded:

S&T s incentive compensation plans do not encourage members of senior management to take unnecessary and excessive risks that could threaten the value of S&T;

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The incentive compensation plans are structured so that their potential for generating unacceptable risk that could materially affect the value of S&T is limited; and

The incentive compensation plans are not structured to create substantial opportunities to benefit due to material manipulation of financial results.

Compensation and Benefits Committee:

Jeffrey Grube (Chairman)

John Delaney

Michael Donnelly

Fred Morelli

Frank Palermo

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## EXECUTIVE COMPENSATION

The following table provides information concerning remuneration of the NEOs during 2012-2014.

**Summary Compensation Table**

| Name and Principal Position | Year | Salary | Bonus ($)(1) | Stock Awards ($)(2) | Option Awards ($)(3) | Non-Equity Incentive Plan Compensation ($)(4) | Change in Pension Value ($)(5) | All Other Compensation ($)(6) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| **Todd D. Brice** | 2014 | 550,000 | 0 | 220,004 | 0 | 225,225 | 637,500 | 50,077 | 1,682,806 |
| President and Chief Executive | 2013 | 525,000 | 52,500 | 0 | 0 | 0 | 0 | 53,088 | 630,588 |
| Officer | 2012 | 525,000 | 0 | 104,997 | 0 | 19,060 | 481,200 | 56,839 | 1,187,096 |
| **Mark Kochvar** | 2014 | 295,000 | 0 | 103,242 | 0 | 103,678 | 266,900 | 21,196 | 790,016 |
| Sr. Executive Vice President | 2013 | 278,000 | 27,800 | 0 | 0 | 0 | 16,200 | 20,222 | 342,222 |
| and Chief Financial Officer | 2012 | 278,000 | 0 | 55,592 | 0 | 5,053 | 197,500 | 21,009 | 557,154 |
| **David G. Antolik** | 2014 | 322,000 | 0 | 112,703 | 0 | 115,920 | 242,300 | 29,836 | 822,759 |
| Sr. Executive Vice President | 2013 | 302,000 | 30,200 | 0 | 0 | 0 | 0 | 25,980 | 358,180 |
| and Chief Lending Officer | 2012 | 302,000 | 0 | 60,394 | 0 | 12,947 | 208,400 | 28,696 | 612,437 |
| **David P. Ruddock** | 2014 | 279,000 | 0 | 97,653 | 0 | 99,185 | 291,100 | 32,716 | 799,654 |
| Sr. Executive Vice President | 2013 | 265,000 | 26,500 | 0 | 0 | 0 | 0 | 24,824 | 316,324 |
| and Chief Operating Officer | 2012 | 265,000 | 0 | 53,001 | 0 | 11,266 | 226,600 | 27,861 | 583,728 |
| **Patrick Haberfield** | 2014 | 250,000 | 0 | 87,496 | 0 | 90,000 | 0 | 126,083 | 553,579 |
| Sr. Executive Vice President | 2013 | 227,040 | 22,704 | 0 | 0 | 0 | 0 | 20,461 | 270,205 |
| and Chief Credit Officer | 2012 | 217,500 | 0 | 43,509 | 0 | 12,180 | 0 | 17,626 | 290,815 |

(1) The Compensation Committee awarded a discretionary bonus to executives in 2013, including the NEOs, in the amount of 10% of base salary earned. No management incentive bonuses were earned during fiscal year 2013.

(2) No grants of restricted stock were awarded in 2013. On May 19, 2014, the Compensation Committee granted long term restricted stock at a grant price of $23.19. The grants were in accordance with the 2014 LTIP, pursuant to its authority under the 2014 Plan. On March 19, 2012, the Compensation Committee granted long-term restricted stock at a grant price of $22.335, the average of the high and low price of the Common Stock on the grant date, to the NEOs. The 2012 grants were in accordance with the 2012 LTIP, pursuant to its authority under the S&T Bancorp, Inc. 2003 Stock Incentive Plan.

(3) There were no option awards in 2012, 2013 or 2014.

(4) This column includes the incentive payments resulting from the MIPs for 2012 and 2014, which the Compensation Committee approved on March 19, 2012 and March 17, 2014, respectively, for performance during the previously completed fiscal year. See Management Incentive Awards in the Compensation Discussion and Analysis on page 26.

(5) This column shows the aggregate year-to-year change in the actuarial present value of the NEOs accrued pension benefit under all qualified and non-qualified defined benefit plans based on the assumptions used for ASC 715 Compensation Retirement Benefits accounting purposes at each measurement date. As such, the change reflects changes in value due to an increase or decrease in the ASC 715 discount rate as well as changes due to compensation, service length and mortality assumptions. The change in pension value during 2013 for Messrs. Brice, Antolik, and Ruddock are negative $74,300, negative $63,500, and negative $33,700, respectively (negative amounts are not reflected in the amounts disclosed above). Mr. Haberfield is not eligible to participate in these defined benefit plans, since he was hired after January 1, 2008, when the plans were closed to new participants,

(6) The compensation represented by the amounts for 2012, 2013 and 2014 as set forth in the All Other Compensation column for the NEOs is detailed in the following table.

| Name | Year | Company Contributions to Qualified Defined Contribution Plan[(a)] | Company Contributions to Nonqualified Defined Contribution Plan[(b)] | Company Contributions to Health Savings Account [(c)] | Company Car or Car Allowance[(d)] | Country Club Dues[(e)] | Company Paid Life Insurance Premiums[(f)] | Restricted Stock Dividends[(g)] | All Other Compensation |
|---|---|---|---|---|---|---|---|---|---|
| **Todd D. Brice** | 2014 | 9,100 | 9,587 | | 11,746 | 11,856 | 2,528 | 5,260 | 50,077 |
| | 2013 | 8,925 | 7,518 | | 15,087 | 11,453 | 2,348 | 7,757 | 53,088 |
| | 2012 | 8,500 | 9,899 | | 15,054 | 11,430 | 2,348 | 9,608 | 56,839 |
| **Mark Kochvar** | 2014 | 8,050 | | 2,000 | 6,000 | | 2,467 | 2,679 | 21,196 |
| | 2013 | 8,050 | | | 6,000 | | 2,165 | 4,007 | 20,222 |
| | 2012 | 7,875 | | | 6,000 | | 2,165 | 4,969 | 21,009 |
| **David G. Antolik** | 2014 | 6,125 | 6,202 | 1,000 | 11,932 | | 1,649 | 2,928 | 29,836 |
| | 2013 | 8,925 | 4,898 | | 6,173 | | 1,531 | 4,453 | 25,980 |
| | 2012 | 5,950 | 4,620 | | 11,182 | | 1,531 | 5,413 | 28,696 |
| **David P. Ruddock** | 2014 | 9,100 | | | | | | | |