

S&T BANCORP INC
Form DEF 14A
April 05, 2017
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 Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material 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):

- 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:

To our shareholders:

In 2016, S&T Bancorp saw impressive returns on the investments in people and markets that we've made over the past few years. Those investments, in turn, have led to solid returns for you, our shareholders. It all contributed to record net income of \$71.4 million.

With organic loan growth of 11.6 percent, we believe that our performance in 2016 is evidence of a sound business strategy that will continue to lead us on the path of continued and sustainable profitability.

2016 Financials

Financial highlights from 2016 include:

Net income increased to a record \$71.4 million, or \$2.05 per diluted share, compared to \$67.1 million, or \$1.98 per diluted share for 2015.

Return on average assets stood at 1.08 percent; return on average equity, 8.67 percent; and return on tangible equity, 13.71 percent.

Net interest income increased \$15.7 million, or 8.4 percent, to \$203.3 million compared to \$187.6 million in 2015, driven primarily by loan growth of \$584 million, or 11.6 percent.

Operating efficiently remains a key component of our success. During 2016, we had positive operating leverage with total revenue growth of \$19.3 million, or 8.1 percent, while operating expenses increased \$6.5 million, or 4.8 percent, compared to 2015.

Lastly, the Board of Directors declared cash dividends of \$0.77 per share during 2016, a 5.5 percent increase from the 2015 declared cash dividends per share of \$0.73.

2016 Highlights

S&T operates across five geographic markets, which together provide a great platform for steady organic growth. Although these markets have varying needs and preferences regarding specific banking and financial services, we are able to meet our customers' demands by offering a wide variety of high-quality products typically found at our largest competitors. These offerings, when combined with superior level of customer service, were the keys to generating positive results in 2016. Here is a summary of performance across our five markets:

Southwestern Pennsylvania: The year was marked by the opening of a new corporate banking office on the North Shore of Pittsburgh, a core market for us, providing existing and new customers with direct access to business and commercial loans, and indirect access to treasury management and private banking services. Focused on C&I growth, the North Shore location offers the Pittsburgh region strategic banking solutions through a range of financial resources, including the extensive knowledge and insight into the area that our team represents.

Southcentral Pennsylvania: 2016 marked the first full year of Integrity Bancshares as part of S&T, with the integration progressing very well. Integrity expands our presence in southcentral Pennsylvania with eight

branches in Cumberland, Dauphin, Lancaster, and York Counties. We have seen strong performance overall from these markets, thanks to the dedicated team of bankers whose similar approach to customer service dovetailed easily and immediately with the long-held culture of S&T.

Northeast Ohio: The S&T presence expanded in 2016 with the opening of a new branch in the fourth quarter, offering the full range of services to customers. We also brought on a new C&I lender to serve this important market. We made a significant investment in Akron, Ohio, relocating and expanding into a new banking facility to offer commercial, business, consumer, private banking, and treasury management services. This newly configured Akron location, which opened in December, will help S&T expand its growing presence in northeast Ohio by attracting new customers and deepening our relationships with existing customers.

Total loans: \$344 million; Organic loan growth in 2016: \$101 million.

Central Ohio: S&T's presence in the greater Columbus market continued to expand in 2016, with notable loan growth. The stability of our growing staff in Central Ohio plays an important role in attracting and retaining relationships.

Total loans: \$309 million; Organic loan growth in 2016: \$113 million.

Western New York: Our loan production office (LPO) in Rochester, New York, generated impressive loan growth in 2016, as S&T continues to make significant inroads in this geographic region.

Total loans: \$173 million; Organic loan growth in 2016: \$140 million.

In addition, our major lines of business had solid performance, as well.

Commercial banking, comprising our corporate and business banking segments, remains a source of important loan growth and a key entry point to expanded relationships with valued customers. Loan production in this line of business totaled \$1.4 billion in 2016.

In our Retail segment, we saw another strong year of performance, including a focus on generating deposits, which led to overall deposit growth of \$396 million for the year. The retail base in our legacy markets, along with consumer and mortgage lending, consistently generates solid returns that help to fund growth initiatives bank wide. In addition, our retail locations maintain average deposits of \$82.4 million per branch, a figure well above those in our peer group.

A comprehensive customer digital strategy also contributed to our retail success, with mobile first solutions delivering products and services to all demographic groups, especially millennials. Our digital strategy rests on the idea that S&T will deliver the same capabilities through on-line and mobile channels as we do in person. Our Solution Center (formerly called the Direct Banking Center) supports both digital and person-to-person experiences, bridging the gap for customers.

Our Wealth Management had \$1.9 billion in assets under administration that produced annual revenue of \$10.5 million. This revenue was generated through brokerage and trust services as well as through registered investment advisor services for institutional accounts. Our Insurance group had a solid year of new business generation in 2016, with \$4.7 million in annual revenue.

Among other efforts, we are proud to have successfully completed three mergers since 2012, improved our delivery of services through LPOs and Innovation Banking Centers, upgraded internal systems, and improved cybersecurity while maintaining significant cost controls. We are proud to have accomplished all of our goals while still servicing our customers through a friendly bank. I am personally very proud of the way in which our S&T team - those who have been with us for years, and those who may be newer to the organization - have kept our culture intact and, to my way of thinking, actually made it stronger and offer them all a hearty "Well done."

Our employees' efforts in the service of the communities where we are located are clear evidence of our intent to maintain and grow our status as an exemplary community banking institution. For example, S&T employees' donated more than \$100,000 to the United Way in 2016, surpassing all previous years' campaigns, and helped to eliminate hunger by devoting more than 1,200 volunteer hours to 21 local food banks. Other employees provided significant services to non-profit boards and organizations serving children, the elderly and others in need.

S&T's belief in serving as a valuable community partner also included donating seedlings planted as part of the "Plant a Tree at Flight 93" effort at the National Park Service's Flight 93 Memorial in nearby Somerset County, continuing to promote programs for students on financial literacy, and providing nearly \$1 million in support to a variety of charitable organizations, including a donation of \$10,000 to area food banks.

S&T continues to benefit from the wisdom, guidance, and diligence of our Board of Directors. As CEO, my appreciation for the professionalism and dedication of this group has only expanded and deepened over the years. They have my thanks and my pledge to keep our Bank strong and successful.

Special acknowledgement goes to two Directors retiring from the Board this year, Jack Delaney and William Gatti, who have provided outstanding service by representing our shareholders with diligence and wisdom for 30 and 24 years, respectively. I speak for everyone in our organization when I wish these two gentlemen all the best, with our deepest appreciation.

We believe our results for 2016 prove that this organization is moving in the right direction by following a proven strategy. We have the vision, products, services, geographic presence, and most of all the culture and the people, to remain on a path to continued profitable growth, and we anticipate this trend to extend into 2017.

We thank all of our shareholders for their past and continuing support.

Sincerely,
Todd D. Brice
President and Chief Executive Officer

S&T Bancorp, Inc.
800 Philadelphia Street
Indiana, Pennsylvania 15701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 15, 2017

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 15, 2017, 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. To elect 13 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 S&T's independent registered public accounting firm for the fiscal year 2017;
3. To approve a non-binding advisory proposal on the compensation of S&T's named executive officers; and
4. To transact 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 17, 2017 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 5, 2017

IMPORTANT

YOUR VOTE IS IMPORTANT, AND WE APPRECIATE YOUR TAKING THE TIME TO VOTE PROMPTLY. IF YOU RECEIVED THE PROXY MATERIALS BY MAIL, 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 PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2017 AND FOR THE NON-BINDING ADVISORY PROPOSAL ON THE COMPENSATION OF S&T'S NAMED EXECUTIVE OFFICERS.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE 2017 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 15, 2017: OUR PROXY STATEMENT, 2016 ANNUAL REPORT AND NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS ARE AVAILABLE AT WWW.PROXYVOTE.COM**

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 2017 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.

TABLE OF CONTENTS

	Page
INTRODUCTION	<u>1</u>
MEETING INFORMATION	<u>1</u>
BENEFICIAL OWNERS OF S&T COMMON STOCK	<u>3</u>
BENEFICIAL OWNERSHIP OF S&T COMMON STOCK BY DIRECTORS AND OFFICERS	<u>5</u>
PROPOSAL 1: ELECTION OF DIRECTORS	<u>6</u>
CORPORATE GOVERNANCE	<u>9</u>
DIRECTOR COMPENSATION	<u>15</u>
PROPOSAL 2: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2017	<u>17</u>
PROPOSAL 3: ADVISORY VOTE ON COMPENSATION OF S&T'S NAMED EXECUTIVE OFFICERS	<u>18</u>
EXECUTIVE OFFICERS OF THE REGISTRANT	<u>19</u>
COMPENSATION DISCUSSION AND ANALYSIS	<u>20</u>
COMPENSATION AND BENEFITS COMMITTEE REPORT	<u>32</u>
EXECUTIVE COMPENSATION	<u>34</u>
RELATED PERSON TRANSACTIONS	<u>43</u>
REPORT OF THE AUDIT COMMITTEE	<u>46</u>
SHAREHOLDER PROPOSALS	<u>47</u>
OTHER MATTERS	<u>47</u>

[THIS PAGE INTENTIONALLY LEFT BLANK]

S&T BANCORP, INC.
PROXY STATEMENT FOR
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 15, 2017
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”). We are first sending the Notice of Internet Availability of Proxy Materials (the “Notice”), or this Proxy Statement, S&T’s 2016 Annual Report and proxy card to shareholders on or about April 5, 2017.

At the Annual Meeting, shareholders of S&T will be asked to elect 13 directors of S&T to serve a one-year term, to approve the ratification of the selection of KPMG LLP as S&T’s independent registered public accounting firm for the fiscal year 2017 and to approve a non-binding advisory proposal on the compensation of S&T’s named 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 15, 2017, 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 and Required Vote

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 each matter to be voted on at the Annual Meeting. There are no cumulative voting rights with respect to the Common Stock. Only holders of the Common Stock at the close of business on March 17, 2017 (the “Record Date”) will be entitled to notice of and to vote at the Annual Meeting. There were 2,993 record holders of the Common Stock and 34,913,023 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 the absence of instructions on matters considered “routine,” such as the ratification of the appointment of the independent registered public accounting firm. They do not have discretionary authority to vote shares in the absence of instructions on “non-routine” matters, such as the election of directors and the advisory vote on the approval of compensation of S&T’s named executive officers. 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 13 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 S&T’s independent registered public accounting firm for fiscal year 2017 and the approval of the non-binding advisory proposal on the compensation of S&T’s named executive officers require the affirmative vote of a majority of the votes cast at the Annual Meeting to be approved.

Voting and Revocation of Proxies

Shareholder of Record. If you are a shareholder of record and you received the Notice, you may vote by accessing the secure Internet website registration page identified on the Notice and following the instructions, or by mail or telephone if you request a printed copy of the proxy materials by following the instructions set forth on the Notice. You may also vote in person at the Annual Meeting.

If you are a shareholder of record and you received a printed copy of this Proxy Statement, S&T's 2016 Annual Report and the proxy card, you may submit your proxy card and voting instructions by telephone or using the Internet or by mail as further described below. Your proxy card, whether submitted via telephone, the Internet or mail, authorizes the individuals named as proxies on your proxy card to act as your proxies at the Annual Meeting, each with the power to appoint his or her substitute, to represent and vote your shares of S&T Common Stock as you directed, if applicable.

By Telephone. Call the toll-free telephone number on the enclosed proxy card (1-800-690-6903) and follow the recorded instructions.

By Internet. Access the secure Internet website registration page on the enclosed proxy card and follow the instructions.

By Mail. Sign, date and return your proxy card in the postage-paid envelope provided.

If you submit your proxy card and voting instructions via telephone or the Internet, you do not need to mail your proxy card. The individuals named as proxies on your proxy card will vote your shares of S&T Common Stock at the Annual Meeting as instructed by the latest dated proxy received from you, whether submitted via the Internet, telephone or mail. You may also vote in person at the Annual Meeting.

Beneficial Owners. If your shares of S&T Common Stock are held in a stock brokerage account by a bank, broker, trustee or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your bank, broker, trustee or other nominee that is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee on how to vote your shares of S&T Common Stock via the Internet or by telephone, if the bank, broker, trustee or other nominee offers these options or by completing, signing, dating and returning a voting instruction form. Your bank, broker, trustee or other nominee will send you instructions on how to submit your voting instructions for your shares of S&T Common Stock. If you wish to vote in person at the Annual Meeting, you must obtain a signed proxy from your bank, broker, trustee or other nominee who holds the shares on your behalf in order to cast your vote.

If you properly complete, sign, date and return the proxy card or voting instruction form, your shares of S&T Common Stock will be voted as you specify. If you are a shareholder of record and you sign and return the proxy card, but make no specifications on such proxy card, your shares of S&T Common Stock will be voted in accordance with the recommendations of the S&T Board. If you are a beneficial owner and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares of S&T Common Stock for you, your shares of S&T Common Stock will not be voted with respect to any proposal for which the shareholder of record does not have discretionary authority to vote.

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 of Shareholders 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 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. \$8,000, 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 Annual Meeting and S&T’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016, are available at <http://proxyvote.com>.

Householding

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices or proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single Notice or proxy statement and annual report 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 Notice or one annual report and proxy statement package, S&T will deliver promptly a separate copy of the Notice or annual report and the proxy statement package to any shareholder who contacts S&T by calling the toll-free number, 1-800-325-2265, or by mail to the attention of the Secretary of S&T at 800 Philadelphia Street, Indiana, Pennsylvania 15701. 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 S&T. 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 S&T, as instructed above, or your broker, if you hold the shares in “street name.”

If you received more than one Notice or proxy card, it means that your shares are registered in more than one name (e.g., trust, custodial accounts, joint tenancy) or in multiple accounts. Please make sure that you vote all of your shares by following the directions on each Notice or on each proxy card you received.

For our 2018 annual meeting, you can help us save significant printing and mailing expenses by consenting to access our proxy materials 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 2017 Annual Meeting. If you choose to receive your proxy materials electronically, then prior to next year’s annual meeting you will receive notification when the proxy materials 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 S&T to the attention of the Secretary of S&T at 800 Philadelphia Street, Indiana, Pennsylvania 15701. 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.

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 March 17, 2017, when 34,913,023 shares of S&T Common Stock were outstanding, 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. 55 East 52nd Street New York, NY 10022	4,097,776	(1) 11.74%
Common Stock	The Vanguard Group, Inc. 100 Vanguard Blvd.	3,086,786	(2) 8.84 %

Malvern, PA 19355

3

(1) According to its Schedule 13G/A filed with the SEC on January 17, 2017, BlackRock, Inc. has sole dispositive power over 4,097,776 shares and sole voting power over 4,017,054 shares. The percentage of ownership is calculated based on the information provided on the Schedule 13G/A, as updated for shares outstanding as of March 17, 2017.

(2) According to its Schedule 13G/A filed with the SEC on February 13, 2017, The Vanguard Group, Inc. has sole dispositive power over 3,042,050 shares and shared dispositive power over 44,736 shares. The number of shares Vanguard Group, Inc. has sole power to vote or direct to vote is 41,160 and shared power to vote or direct to vote is 5,406. The percentage of ownership is calculated based on the information provided on the Schedule 13G/A, as updated for shares outstanding as of March 17, 2017.

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

The following table sets forth, as of March 17, 2017, the amount and percentage of Common Stock beneficially owned by each director, each nominee for director and each of the Named Executive Officers ("NEOs") (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 over 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	30,954	*
Todd D. Brice	103,478	*
John J. Delaney	68,452	*
Michael J. Donnelly	28,303	*
Ernest J. Draganza	31,992	*
William J. Gatti	27,442	*
James T. Gibson	202,486	*
Jeffrey D. Grube	23,898	*
Jerry D. Hostetter	9,204	*
Frank W. Jones	25,143	*
Robert E. Kane	0	*
Mark Kochvar	50,210	*
David L. Krieger	18,249	*
James C. Miller	65,939	*
Frank J. Palermo, Jr.	16,513	*
David P. Ruddock	46,530	*
Christine J. Toretta	24,058	*
Charles G. Urtin	26,713	*
Steven J. Weingarten	82,502	*
All current directors and executive officers as a group (23 persons)	946,427	2.71%

⁽¹⁾ May include shares held by spouse, other family members, as trustee or through a corporation. Mr. Brice disclaims beneficial ownership of 1,475 shares that are directly owned by his spouse and 4,776 shares that are directly owned by his daughters. Mr. Brice has neither voting nor investment power over these disclaimed shares. Mr. Miller disclaims beneficial ownership of 17,760 shares that are directly owned by his spouse. Mr. Miller has neither voting nor investment power over these disclaimed shares. Mr. Draganza has shared voting and investment power over 6,690 shares held jointly with his spouse.

* Less than 1% of the outstanding Common Stock.

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 10% 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, 2016, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were filed in a timely manner, except for the following reports filed late: one Form 4 filed by Mr. Thomas Sposito, reporting one transaction of shares acquired on January 28, 2016; two Form 4s filed by Mr. Jerry Hostetter,

each reporting one transaction of shares sold on November 14, 2016; and two Form 4s filed by Mr. James Gibson, each reporting two transactions of shares sold, such sales being made on November 19, 2016, November 21, 2016 and November 22, 2016. In addition, Mr. William Poole filed a Form 5 in 2016 reporting one transaction of shares purchased in the 401(k) plan on November 17, 2015, on an untimely basis. The transaction occurred while Mr. Poole was an executive officer of S&T. The late filings were inadvertent.

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 fourteen (14); however, the number of directors will be reduced by the S&T Board to thirteen (13) effective as of the date of the Annual Meeting, when Directors Delaney and Gatti retire. The S&T Board has nominated the thirteen (13) persons named below for election at the Annual Meeting, including twelve (12) incumbent directors up for re-election and Mr. Robert E. Kane, our new director nominee.

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 to serve or unwilling to serve for good cause, 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. 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 S&T Board as well as their industry knowledge, judgment and leadership capabilities. The Nominating Committee continually assesses the tenure and diversity of the S&T Board and seeks opportunities, within the constraint of the size of the S&T Board, to include a mix of directors with S&T Board experience and with fresh perspectives. In the last five years, the Nominating Committee has had the opportunity to add five or nearly 40% new directors to the S&T Board to further diversify the S&T Board's industry knowledge, judgment and leadership capabilities. Mr. Palermo was added to the S&T Board in 2013; Messrs. Gibson, Hostetter and Weingarten were added to the S&T Board through the acquisition of Integrity Bancshares, Inc. ("Integrity") in 2015 and Mr. Kane is being nominated to the S&T Board in 2017. Mr. Kane was recommended for consideration as a director nominee by a member of the Nominating Committee.

Director Nominees to be Elected at the 2017 Annual Meeting:

Todd D. Brice, 54, 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 31 years of banking experience, including 15 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.

Michael J. Donnelly, 59, has served as a director of S&T since 2001 and is a member of the Compensation and Benefits Committee (the "Compensation 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 27 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 Committee, and his experience on the S&T Board provides him with a solid background for service on our Nominating Committee.

James T. Gibson, 61, has served as a director of S&T since March 2015. Mr. Gibson served as chairman, president and chief executive officer of Integrity since its inception in June 2003 until it was acquired by S&T in March 2015, and served as president and chief executive officer of Integrity Bank, a role he also held since its inception in June 2003 until it was merged into S&T Bank in May 2015. Mr. Gibson assisted the S&T Board with transition and integration issues following the acquisition

6

of Integrity in 2015, and retired December 31, 2015. 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, 63, has served as a director of S&T since 1997 and is Chairman of the Compensation 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 for 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 Committee.

Jerry D. Hostetter, 55, has served as a director of S&T since March 2015 and is a member of the Compensation Committee. 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 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 qualify him to serve on the S&T Board and on the Compensation Committee.

Frank W. Jones, 71, 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 law 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 Bank, together with his legal experience as it relates to one of our core businesses and his years of experience on the S&T Board, qualifies him to serve as a director and serve on our Audit Committee and Nominating Committee.

Robert E. Kane, 49, has served as the president, chief executive officer and owner of Reliant Holdings, Inc. since 2005, which provides credit related products and services to individuals that reside in all 50 states as well as the United Kingdom. Reliant Holdings' extensive operations include Internet marketing, e-commerce and mobile technology, call center services and fulfillment services. Over the past 10 years, Mr. Kane has served on the board of directors of numerous organizations including the Pennsylvania Economic Development Financing Authority (PEDFA), the Indiana County Chamber of Commerce, Indiana County Development Corporation and Indiana Regional Medical Center. Mr. Kane also served on S&T Bank's Indiana Regional Advisory Board from 2012 to 2016. In addition to his sound leadership capabilities, Mr. Kane has attained a deep knowledge of the financial services industry throughout his career. We believe that Mr. Kane's executive management experience and detailed knowledge of the financial and e-commerce sectors qualify him to serve on our Board.

David L. Krieger, 73, has served as a director of S&T since 2007. Mr. Krieger has been retired since 2007 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, 71, has served as a director of S&T 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.

7

Frank J. Palermo, 64, has served as a director of S&T since January 2013 and is Chairman of the Audit Committee and a member of 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 38 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 to serve on the Audit Committee and the Nominating Committee.

Christine J. Toretta, 60, has served as Vice Chairman of S&T and S&T Bank since 2013 and a director of S&T since 1984. Ms. Toretta is a member of the Nominating Committee. Ms. Toretta has been the president of Palladio, LLC since 2011, was the chairman and chief executive officer of S.W. Jack Drilling Company from 1990 through 2010 and was the president of The Jack Company from 1988 through 2015. Ms. Toretta has been the president of Plum Production, Inc. since 1991, and president of CJT, LLC since 2002, each of which is a natural gas investment company. Ms. Toretta has also been a board of director member for the EQT Corporation since October 2015. Ms. Toretta’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, 70, 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 a member of the Audit Committee. 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 and qualifies him to serve as the Chairman of the S&T Board and on the Audit Committee. Mr. Urtin assisted the S&T Board with transition and integration issues following our acquisition of IBT Bancorp in 2008.

Steven J. Weingarten, 58, has served as a director of S&T since March 2015 and is a member of the Compensation Committee and the Nominating Committee. 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 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 qualify him to serve on the S&T Board and on the Compensation Committee and the Nominating Committee.

Board Recommendation

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

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The S&T Board has developed and adopted Corporate Governance Guidelines (“Guidelines”) which reflect S&T’s commitment to following corporate governance best practices. The Guidelines are intended to promote the functioning of the S&T Board and its committees and to set forth a common set of expectations as to how the S&T Board should perform its functions to enable effective corporate governance practices. These Guidelines are not intended to modify or amend S&T’s Articles of Incorporation, as amended (the “Articles of Incorporation”) 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 rules. In 2016, the S&T Board also considered all direct and indirect transactions described under “Transactions with Related Parties” and “Compensation Committee Interlocks and Insider Participation” in determining whether a 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 S&T’s 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. In accordance with the NASDAQ listing rules and interpretations, following review of the objective measures, the Nominating Committee and S&T Board also evaluate on a subjective basis each director’s personal, familial and/or business relationships, regardless of dollar amount.

On March 20, 2017, the S&T Board determined the following nine director nominees are independent under the NASDAQ listing rules: Mr. Donnelly, Mr. Grube, Mr. Hostetter, Mr. Jones, Mr. Kane, Mr. Palermo, Ms. Toretti, Mr. Urtin and Mr. Weingarten. As discussed below, all members of the Compensation 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 2016, all of S&T’s directors attended the annual meeting of shareholders. 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 2016, the S&T Board held 13 board meetings, with the following number of meetings held by the S&T Board committees: Audit, four; Compensation and Benefits, six; Credit Risk, four; Executive, three; Nominating and Corporate Governance, five; and Trust and Revenue Oversight, four. Each director attended at least 75% of the total number of meetings of the S&T Board and committees on which he or she served during 2016.

Board Structure; Separate Roles of Chairman and Chief Executive Officer

There are currently 14 directors comprising the S&T Board. The number, however, will be reduced by the S&T Board to 13 effective as of the date of the Annual Meeting. Directors Delaney and Gatti will retire 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.

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 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 enable the S&T Board to fulfill its role in overseeing and monitoring the management and operations of S&T and to protect 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 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. The S&T Board has ultimate responsibility for approving the risk appetite that is appropriate for S&T. The S&T 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 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 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, Chief Lending Officer and General Counsel, 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 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.

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 lending activity including a periodic review of portfolio concentrations that may be deemed to pose a heightened risk or larger loan relationships; 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 Federal Deposit Insurance Corporation’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 S&T 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 S&T 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 2016 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 S&T.

Audit Committee

The members of the Audit Committee are Jeffrey Grube, Frank Jones, Frank Palermo (Chairman), and Charles Urtin. 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 46. The S&T Board has determined that Mr. Palermo meets the qualifications of an audit committee financial expert under SEC regulations adopted under the Sarbanes-Oxley Act of 2002. Mr. Palermo is a Certified Public Accountant and Certified Valuation Analyst, with 38 years in public accounting, four years as a vice president and controller at a community bank and eight years as a director of a community bank. This experience and education give 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; knowledge 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 Committee are John Delaney, Michael Donnelly, Jeffrey Grube (Chairman), Jerry Hostetter and Steve Weingarten. 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 2016 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 32 of this Proxy Statement.

Nominating and Corporate Governance Committee

The members of the Nominating Committee are John Delaney, Michael Donnelly, Frank Jones (Chairman), Frank Palermo, Christine Toretta and Steve Weingarten. The Nominating Committee functions are to assist the S&T Board in annually reviewing the qualifications and independence of the members of the S&T Board and its various committees as well as the composition

and structure of the S&T Board; to review and make recommendations to the S&T Board as to its committee structure, functions and composition on a periodic basis; to oversee the annual assessment of the performance of the S&T Board and whether its committees are functioning effectively; to recommend director nominees to the S&T Board to submit 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 43 of this 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 Bank Director's Membership Program. This Program offers the directors access to the BankDirector.com online video training series, a wide range of in-person conferences, periodic hard copy and digital magazine, 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 Nominating 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, Pennsylvania 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 90th day prior to the first anniversary of the preceding year's annual meeting, unless the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, in which case notice must be delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the annual meeting date is less than 100 days prior to such annual meeting date, the 10th day following the day on which public announcement of the date of such meeting is first made by S&T. 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 of the nominee 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 S&T 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 independent 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 2016. 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. If the Corporate Secretary believes the communication may be a complaint relating to any questionable accounting, internal accounting controls or auditing matter ("Covered Matter"), the Covered Matter will be handled in accordance with Corporate Policy #609 - Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters ("Whistleblower Policy"). A copy of the Whistleblower Policy is included on S&T's website www.stbancorp.com, under Corporate Governance.

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, and 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 of the Code of Conduct 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 2016 were John Delaney, Michael Donnelly, Jeffrey Grube, Jerry Hostetter, and Steven Weingarten. During 2016 S&T Bank made the following payments to a member of the Compensation Committee:

S&T Bank made payments of \$258,799 for the purchase of printing services and promotional items from companies owned or controlled by Director Donnelly.

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 2016 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 2016, 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.

Compensation Consulting and Advisory Services Fees

There were no consulting fees paid by S&T to advisors to the Compensation Committee of the Board for the calendar year 2016.

DIRECTOR COMPENSATION

The Nominating Committee annually reviews the S&T director compensation. S&T's director compensation is designed to align the S&T 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 2016.

Director Compensation Table for Fiscal Year 2016

Name	Fees Earned or Paid in Cash (\$)	Stock	Total (\$)
		Awards (\$) ⁽¹⁾⁽²⁾	
John J. Delaney	37,800	30,001	67,801
Michael J. Donnelly	39,100	30,001	69,101
William J. Gatti	40,700	30,001	70,701
James T. Gibson	32,400	30,001	62,401
Jeffrey D. Grube	44,900	30,001	74,901
Jerry D. Hostetter	32,600	30,001	62,601
Frank W. Jones	44,300	30,001	