

**S&T Bancorp, Inc.**  
**S&T Bank**  
**Corporate Governance Guidelines**

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**S&T Bancorp, Inc.**  
**S&T Bank**  
**CORPORATE GOVERNANCE GUIDELINES**

**I. Introduction**

The Board of Directors (“Board”) of S&T Bancorp, Inc. and S&T Bank (collectively, “S&T” or the “Company”) acting on the recommendation of its Nominating and Corporate Governance Committee (“NCGC”) has developed and adopted these corporate governance guidelines (the “Guidelines”) 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. These Guidelines are intended to promote effective 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.

**II. Oversight**

The Board will oversee the business and affairs of S&T as managed by the officers and employees of S&T. In discharging their duties, directors shall act in good faith and in a manner they reasonably believe to be in the best interests of S&T and its shareholders, and they may consider the best interests of various S&T constituencies.

In discharging their duties, directors may rely on the honesty and integrity of their fellow directors and S&T’s officers and employees, as well as S&T’s outside advisors, auditors, and other representatives.

**III. Number of Directors**

The Board shall consist of not less than nine (9) nor more than seventeen (17) persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full Board.

**IV. Election Term**

All directors shall be elected at each annual meeting of shareholders for a term expiring at the next annual meeting of shareholders following their election. Each director shall serve until his or her successor shall have been elected and qualified, even though his or her term of office as herein provided has otherwise expired, except in the event of his or her earlier death, resignation, removal or disqualification from office.

**V. Selection of Directors**

At least a majority of directors will meet NASDAQ Stock Market criteria for independence.

The NCGC has adopted, and the Board has ratified, a corporate policy for identifying and evaluating candidates for membership on the Board.

The NCGC identifies potential candidates based on suggestions from directors, officers of S&T and S&T shareholders. The NCGC may engage a third party search firm to assist it in identifying director candidates.

In evaluating and selecting nominees to the Board, the NCGC takes into account all factors and criteria it considers appropriate, including, but not limited to:

- High personal and professional integrity;
- Sound judgment and exceptional ability;
- Business experience;
- Collaborative approach to engagement and oversight;
- Inquisitive and objective perspective;
- Willingness to challenge and stimulate management and the ability to work as part of a team;
- Area of residence in relationship to S&T's geographic market;
- Other directorship experience that would be beneficial to the Board and management of S&T;
- Diversity of experience relative to that of other S&T directors;
- Diversity of age, gender, minority status, level and type of education;
- Effectiveness in serving the long-term interests of S&T's shareholders;
- Availability of time and energy to devote to the affairs of S&T;
- Independence as defined in the NASDAQ listing standards and freedom 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.

In addition, the NCGC considers whether the nominees executive experience and skills are aligned with S&T's business and strategy, including the following:

#### Core Skills and Qualifications

- Banking and Financial Services Industry
- Leadership (Strategy & Execution)
- Financial Expertise
- Regulatory/Risk Management
- Corporate Governance
- Compensation & Succession
- Technological Innovation
- Other Board Experience

#### Additional Relevant Experiences

- Business Development
- Mergers & Acquisitions
- Capital Markets
- Investor Relations & Engagement
- Local Market
- Cybersecurity
- Information Technology
- Diversity

The NCGC will review and assess the composition of the full board, as well as individual directors or nominees. Director assessments will include an evaluation of independence, as well as a consideration of diversity, age, skills, and experience in the context of the current needs of the Board.

The Board evaluates director independence annually to ensure that a majority of directors serving on the Board are independent as defined in the NASDAQ listing standards. In addition the Board considers whether a director has any other material relationships, including personal, familial and/or business relationships, regardless of dollar amount, with S&T that could impair the director's independence. The Board has delegated to the NCGC the authority to evaluate each director's independence for purposes of service on the Board and on each committee, as appropriate. The NCGC shall report its finding to the full Board for ratification.

The NCGC selects and recommends, to the Board for approval, the director nominees to be submitted to a vote of the shareholders at the annual meeting of shareholders, or at a special meeting of shareholders.

An invitation to join the Board should be extended by the Board itself, the Chairperson of the Board, or the NCGC Chairperson.

## **VI. Board Leadership**

The NCGC Chairperson may extend an invitation to Board members for self-nomination or to submit another nomination for Chairperson candidacy. Each nominated candidate's interest and commitment will be verified, and then each nominee must complete a position statement to be distributed to all Board members. Nominees are asked to speak to the Board about their interest in being Chairperson and Vice Chairperson and to respond to any questions directors wish to ask them at that time. Voting will be conducted using a secret ballot. An objective party counts the votes and presents the results to the NCGC Chairman for review and announcement of the new Chairperson of the Board. The Board believes that separation of the roles of Chairperson and CEO is the best governance model for S&T and its shareholders at this time.

## **VII. Voting Standard for the Election of Directors**

Any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly tender his or her resignation, conditioned on Board acceptance, following certification of the shareholder vote; provided, however, that this voting policy does not apply when the number of individuals nominated for election exceeds the number of directors to be elected, including as a result of a proxy contest.

The NCGC shall consider the resignation offer and, within 60 days following certification of the shareholder vote, recommend to the Board whether to accept such resignation. The Board shall act on the NCGC's recommendation within 90 days following certification of the shareholder vote. The NCGC and the Board, in making their respective recommendations, may consider any information that each considers appropriate and relevant.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the NCGC recommendation or Board action regarding whether to accept his or her resignation offer.

If each member of the NCGC received a Majority Withheld Vote at the same election, then the independent directors who did not receive a Majority Withheld Vote shall appoint a committee of such directors to consider each resignation offer and recommend to the Board whether to accept such resignation. If the directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer directors, all directors may participate in the action regarding whether to accept each resignation offer.

If a director's resignation is accepted by the Board, the Board either may fill the resulting vacancy or may decrease the size of the Board pursuant to the Company's By-laws.

### **VIII. Meeting Attendance and Review of Meeting Materials**

The Chairperson of the Board prepares the agenda for Board meetings with the Secretary and in consultation with the CEO, and other members of the Board.

Directors are expected to attend and should make every effort to attend meetings of the Board, the annual meeting of shareholders and meetings of the committees of which they are members. Members may attend by means of a conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other to mitigate scheduling conflicts. S&T will report in its annual Proxy Statement the number of directors who attended the prior year's annual meeting of shareholders and any director attending fewer than 75% of his or her Board and committee meetings.

Each director should be sufficiently familiar with the business of S&T, including its financial statements and capital structure, and the risks and competition it faces, to help facilitate active and effective participation at each meeting of the Board and committees on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of S&T's business. Directors should also be familiar with the agenda for each meeting and review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

The proceedings and deliberations of the Board and its committees are confidential. The Board shall maintain the confidentiality and privacy of any information received in connection with his or her service as a director.

### **IX. Executive Sessions and Independent Directors**

The independent directors will meet in executive session at least twice per year with the Chairperson of the Board presiding over all executive sessions, unless the Chairperson of the Board is an executive officer of the Company, in which case an independent director will preside.

## **X. The Committees of the Board**

The Board has established six standing committees: Executive; Audit; Compensation and Benefits; Credit Risk; Nominating and Corporate Governance; and Trust and Revenue Oversight. All members of the Audit and Compensation and Benefit Committees meet the independence standards required by the Securities and Exchange Commission (“SEC”) and NASDAQ listing standards. All members of the NCGC meet the independence criteria required by NASDAQ listing standards. The authority of each committee is set forth in the Company’s By-laws or in Board resolutions pertaining to the charters of the committees.

Written charters approved by the Board govern the six standing committees. A copy of each charter is available in the Corporate Governance section of S&T’s website, [www.stbancorp.com](http://www.stbancorp.com). The charters of each standing committee are reviewed annually with a view to delegating to a committee the authority of the Board concerning specified matters appropriate to such committee.

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings. In consultation with the appropriate members of the committee and management, the chair of each committee will, at the beginning of the year, establish a schedule of agenda subjects to be discussed during the year (to the degree that these can be foreseen) and develop the committee’s expected agenda for each meeting.

Certain committees may meet simultaneously as committees of S&T Bank. These committees should hold separate sessions, if necessary, appropriate or advisable, to address issues relevant to one entity but not the other or to consider transactions between the two entities or other matters where S&T and S&T Bank have different interests.

## **XI. Retirement of Directors**

Commencing with the annual meeting of the shareholders in 2014 (the “2014 Annual Meeting”), no person was eligible to be elected or appointed as a director after he or she attains the age of seventy-two years on or prior to the date of his or her election; provided, that, any person serving as a director prior to the 2014 Annual Meeting that attained the age of sixty-five years on or prior to the date of the 2014 Annual Meeting (each, a “grandfathered director”) is eligible to be elected or appointed as a director at any time prior to their attaining the age of seventy-five years.

Any director (other than a grandfathered director) who attains the age of seventy-two years shall be retired as of the next annual meeting of shareholders following the attainment of age seventy-two without any action on his or her part. Any grandfathered director who attains the age of seventy-five years shall be retired as of the next annual meeting of shareholders following the attainment of age seventy-five without any action on his or her part.

## **XII. Management Succession**

The Board shall review management succession plans at least annually. The Board will work with the Compensation and Benefits Committee to evaluate possible successors to the Chief Executive Officer

(“CEO”). The CEO will make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

The Board’s Compensation and Benefits Committee will review the CEO’s performance and discuss this review and compensation recommendations with all independent directors. The Board will review the Compensation and Benefits Committee’s report to assess whether the CEO is providing effective leadership for S&T.

The Board’s Compensation and Benefits Committee will also report to the Board on the committee’s review of the performance of other officers and employees from time to time.

### **XIII. Strategic Planning**

The Board shall devote sufficient time to discuss strategic issues and objectives with members of management.

### **XIV. Communicating with Directors**

Communications to the Board from shareholders are welcomed. Shareholders may communicate with the Board or any director. Shareholders who desire to communicate with the Board or a specific director should send any communication, in writing, to S&T’s Secretary:

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

S&T’s Secretary shall initially review all communications received in accordance with S&T’s Shareholder Communication Policy. S&T’s Shareholder Communication Policy is available in the Corporate Governance section of S&T’s website, [www.stbancorp.com](http://www.stbancorp.com). The Secretary will relay all such communications to the appropriate director or directors on a periodic basis unless the Secretary determines in accordance with the Shareholder Communication Policy that the communication is not appropriate for delivery to directors.

### **XV. Communicating with the Public**

The Board believes that management should speak for S&T. From time to time, directors may be asked by management to speak to shareholders, customers, regulators, or members of the media.

### **XVI. Stock Ownership Guidelines**

To further align the interests of non-employee directors with the interests of the Company’s shareholders, the Board has adopted requirements that each non-employee director is expected to acquire and retain shares of the Company’s common stock. A director candidate must own at least \$100,000 in market value of the Company’s common stock within one year of being elected to the Board in order to be nominated for reelection as a continuing director candidate for a second or



third term of service. In order to be nominated for reelection as a continuing member of the Board for a fourth, or more, term of service, such continuing director candidate must own at least \$250,000 in market value of the Company's common stock. For purposes of these guidelines, a

non-employee director's stock ownership shall include all shares of the Company's common stock owned outright by the director and by his or her immediate family members (spouse and dependent children), restricted stock whether or not vested, and any shares held in trust for the benefit of the director and/or his or her immediate family members, plus any stock held for the benefit of the director in any deferred compensation plan.

The Board will evaluate whether exceptions should be made in the case of any director who, due to his or her unique circumstances, would incur a hardship by complying with this policy.

## **XVII. Change in Principal Occupation**

Each director will inform the Chairperson of the Board and the Chairperson of the NCGC upon a change in position or responsibility in his or her principal occupation. The NCGC will review the circumstances to determine whether continued Board membership for the individual is appropriate, including the extent to which the circumstances may affect the individual's effectiveness as a director. Following such review, the NCGC will recommend to the Board whether to continue the director's Board membership, or request the director's resignation.

When the CEO or any other employee director resigns from such position, he or she will offer to resign from the Board at the same time. Whether or not the individual continues to serve on the Board is a matter for Board discussion.

## **XVIII. Director Compensation**

The NCGC will conduct an annual review of director compensation. In making its determination, the NCGC will consider the impact on directors' independence of the amount, form and terms of director compensation and committee membership. Directors who are officers of S&T receive no additional remuneration for serving as a director.

## **XIX. Evaluating Board Performance**

The NCGC will administer an annual assessment of the Board's performance and determine whether the Board and its committees are functioning effectively, the results of which will be discussed with the full Board. The purpose of this assessment will be to improve the performance of the Board as a unit and to ensure optimal effectiveness and accountability for performance among directors. The assessment process should include an evaluation of the Board's contribution to S&T and areas of potential improvement. The ability of each individual director to contribute to the Board is assessed in connection with the nomination process.

## **XX. Board Access to Management and Outside Resources/Independent Advisors**

Directors have complete access to members of management. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations and will, to the extent not inappropriate, copy the CEO on any written communications between a director and any other member of management. The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional personnel attend on a regular basis, this suggestion should be brought to the Board for consideration.

The Board and its committees shall have the right at any time to retain independent outside advisors, and S&T shall provide appropriate funding to compensate such independent outside advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.

## **XXI. Board Education and Orientation**

The NCGC oversees the Director Orientation Program, and all new directors must participate in this Program. The NCGC will also oversee continuing education programs for all directors and the training program is reviewed annually.

## **XXII. Code of Conduct and Ethics**

Members of the Board shall act at all times in accordance with the requirements of the Company's Code of Conduct. S&T's 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, 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 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 copy of the Code of Conduct which is available in the Corporate Governance section of S&T's website, [www.stbancorp.com](http://www.stbancorp.com).

## **XXIII. Annual Review of Guidelines**

The NCGC is responsible for overseeing these Guidelines. The NCGC will review the Guidelines annually and will recommend changes to the Board as appropriate.

#### **XXIV. Limitation**

Nothing in these Guidelines is intended to alter in any way the standard of conduct that applies to any of the directors under Pennsylvania law, as applicable, and these Guidelines do not impose, nor shall they be interpreted to impose any duty on any director greater than, or in addition to, the duties or standard established by such law.