

S&T BANCORP INC
Form DEF 14A
March 25, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

- Filed by the Registrant
- Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

S&T Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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(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:

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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S&T Bancorp, Inc.

800 Philadelphia Street

Indiana, Pennsylvania 15701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 26, 2011

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 April 26, 2011, at 10:00 a.m. Eastern Time, at the S&T Training and Support Center, located at 355 North Fifth Street, Indiana, Pennsylvania 15701, for the purpose of considering and voting on the following matters:

1. The election of sixteen directors to serve a one-year term until the next annual meeting of shareholders and until their respective successors are elected and qualified;
2. To ratify the selection of KPMG LLP as an independent registered public accounting firm for the fiscal year 2011;
3. To approve a non-binding advisory proposal on the compensation of S&T's executive officers; and

4. The transaction of such other business as may properly come before the meeting or any adjournment thereof.
Only shareholders of record at the close of business on March 15, 2011 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

March 25, 2011

IMPORTANT

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

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED IN THIS PROXY STATEMENT, FOR THE RATIFICATION OF THE SELECTION OF KPMG LLP AS AN INDEPENDENT REGISTERED ACCOUNTING FIRM FOR FISCAL YEAR 2011, AND FOR THE NON-BINDING ADVISORY PROPOSAL ON THE COMPENSATION OF S&T S EXECUTIVE OFFICERS.

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE 2011 ANNUAL MEETING OF SHAREHOLDERS**

TO BE HELD ON APRIL 26, 2011

S&T's Proxy Statement for the 2011 Annual Meeting of Shareholders and S&T's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 are available at <http://proxyvote.com>.

IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY HOLDER DOCUMENTS

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

S&T has implemented "householding" in an effort to reduce the number of duplicate mailings to the same address. This process benefits both shareholders and S&T, because it eliminates unnecessary mailings delivered to your home and helps to reduce S&T's expenses. "Householding" is not being used, however, if S&T has received contrary instructions from one or more of the shareholders sharing an address. If your household has received only one annual report and one proxy statement, S&T will deliver promptly a separate copy of the annual report and the proxy statement to any shareholder who contacts S&T's transfer agent, American Stock Transfer & Trust Company ("AST"), by calling their toll-free number, 1-800-937-5449, or by mail to the attention of the Shareholder Relations Department at 59 Maiden Lane, Plaza Level, New York, New York 10038. You can also notify S&T that you would like to receive separate copies of S&T's annual report and proxy statement in the future by calling AST. Even if your household has received only one annual report and one proxy statement, S&T will continue to send a separate proxy card for each shareholder residing at your address. Please note, however, that if you also hold shares of S&T in "street name" (e.g., in a brokerage account or retirement plan account) you may continue to receive duplicate mailings.

Each proxy card should be signed, dated and returned in the enclosed self-addressed envelope. If your household has received multiple copies of S&T's annual report and proxy statement, you can request the delivery of single copies in the future by calling AST, as instructed above, or your broker, if you hold the shares in "street name."

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S&T BANCORP, INC.

2011 PROXY STATEMENT

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S&T BANCORP, INC.
PROXY STATEMENT FOR
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 26, 2011

INTRODUCTION

This Proxy Statement is being furnished to shareholders of S&T Bancorp, Inc. (S&T) in connection with the solicitation of proxies by the Board of Directors of S&T (the S&T Board) for use at the Annual Meeting of Shareholders, and any adjournments thereof, to be held at the time and place set forth in the accompanying notice (Annual Meeting). This Proxy Statement is being mailed to shareholders on or about March 25, 2011. At the Annual Meeting, shareholders of S&T will be asked to elect sixteen directors of S&T to serve a one-year term, to approve the ratification of the selection of KPMG LLP as an independent registered public accounting firm for the fiscal year 2011, and to approve a non-binding advisory proposal on the compensation of S&T s executive officers.

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

MEETING INFORMATION

Date, Place and Time

The Annual Meeting will be held on April 26, 2011, at 10:00 a.m. Eastern Time at the S&T Training and Support Center, located at 355 North Fifth Street, Indiana, Pennsylvania.

Record Date, Voting Rights

The securities that can be voted at the Annual Meeting consist of shares of common stock of S&T, par value \$2.50 per share (Common Stock), with each share entitling its owner to one vote on all matters. Only holders of the Common Stock at the close of business on March 15, 2011 (the Record Date) will be entitled to notice of and to vote at the Annual Meeting. There were 3,077 record holders of the Common Stock and 27,987,456 shares of Common Stock outstanding as of the Record Date.

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

The director nominees will be elected by a plurality of the votes cast at the Annual Meeting, which means that the sixteen nominees receiving the most votes will be elected. A withheld vote on any nominee will not affect the voting results. Both the ratification of the selection of KPMG LLP as an independent registered accounting firm for fiscal year 2011 and the non-binding advisory proposal on the compensation of S&T s executive officers require the affirmative vote of a majority of the votes cast at the Annual Meeting on the item to be approved.

Table of Contents**Voting and Revocation of Proxies**

If the appropriate enclosed form of proxy is properly executed and returned to S&T in time to be voted at the Annual Meeting, the shares represented thereby will be voted in accordance with the instructions marked thereon. Executed but unmarked proxies will be voted FOR the director nominees proposed by the S&T Board, which are presented in this Proxy Statement, FOR the ratification of the selection of KPMG LLP as an independent registered accounting firm for fiscal year 2011, and FOR the non-binding advisory proposal on the compensation of S&T's executive officers. Except for procedural matters incident to the conduct of the Annual Meeting, S&T does not know of any matters other than those described in the Notice of Annual Meeting that are to come before the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in the accompanying proxy will vote the shares represented by the proxies in their discretion on such matters as recommended by a majority of the S&T Board.

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

Solicitation of Proxies

The cost of soliciting proxies in the form enclosed herewith will be borne by S&T. In addition to the solicitation of proxies by mail, S&T has engaged Phoenix Advisory Partners to help solicit proxies for the Annual Meeting, and will pay Phoenix Advisory Partners \$7,000, plus its out-of-pocket expenses, for the solicitation of proxies. S&T may also solicit proxies personally or by telephone, through its directors, officers and regular employees. S&T also will request persons, firms and corporations holding shares of Common Stock in their names or in the name of their nominees, which are beneficially owned by others, to send proxy material 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 2011 Annual Meeting of Shareholders and S&T's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, are available at <http://proxyvote.com>.

BENEFICIAL OWNERS OF S&T COMMON STOCK

Under Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), a beneficial owner of a security is any person who directly or indirectly has or shares voting power or investment power over such security. Such beneficial owner under this definition need not enjoy the economic benefit of such securities. The following are the only shareholders known to S&T to be deemed to be a beneficial owner of 5% or more of Common Stock as of December 31, 2010:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	BlackRock Inc. 40 East 52 nd Street New York, NY 10022	2,216,606 ⁽¹⁾	7.96%

(1) According to its Schedule 13G filed with the SEC on February 8, 2011, BlackRock, Inc. has sole dispositive power and sole voting power for 2,216,606 of these shares. The percentage of ownership is calculated as of the filing date of the Schedule 13G. S&T is not aware of any other person who beneficially owns more than 5% of any class of securities of S&T other than those listed above.

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

The following table sets forth, as of March 15, 2011, the amount and percentage of Common Stock beneficially owned by each director, each nominee for director and each of the Named Executive Officers (as defined below) of S&T, as well as the directors and executive officers of S&T as a group. Unless otherwise indicated, all persons listed below have sole voting and investment power of all shares of Common Stock. The business address of each of S&T's directors and officers is 800 Philadelphia Street, Indiana, Pennsylvania 15701.

Name	Shares of Common Stock Beneficially Owned ⁽¹⁾	Percent Owned
David G. Antolik	34,367	*
John N. Brenzia	11,357	*
Thomas A. Brice	137,851	*
Todd D. Brice	111,544	*
John J. Delaney	74,929	*
Michael J. Donnelly	36,224	*
William J. Gatti	34,043	*
Jeffrey D. Grube	29,450	*
Edward C. Hauck	49,842	*
Frank W. Jones	35,773	*
Joseph A. Kirk	69,044	*
Mark Kochvar	52,803	*
David L. Krieger	38,391	*
James V. Milano	8,659	*
James C. Miller	129,435	*
Alan Papernick	36,492	*
Robert Rebich, Jr.	132,173	*
David P. Ruddock	103,911	*
Charles A. Spadafora	76,993	*
Christine J. Toretto	161,637	*
Charles G. Urtin	19,134	*
All current directors and executive officers as a group (26 persons)	1,479,902	5.20%

- (1) May include shares held by spouse, other family members, as trustee or through a corporation. Includes shares issuable upon the exercise of nonstatutory stock options exercisable within 60 days of March 15, 2011: Mr. David Antolik, 23,250; Mr. Thomas Brice, 15,500 shares; Mr. Todd Brice, 45,000 shares; Mr. Delaney, 15,500 shares; Mr. Donnelly, 15,500 shares; Mr. Gatti, 15,500 shares; Mr. Grube, 15,500 shares; Mr. Hauck, 27,000 shares; Mr. Jones, 15,500 shares; Mr. Kirk, 15,500 shares; Mr. Kochvar, 29,500; Mr. Krieger, 27,000 shares; Mr. Miller, 70,000 shares; Mr. Papernick, 7,500 shares; Mr. Ruddock, 30,000, Mr. Spadafora, 15,500 shares; Ms. Toretto, 15,500 shares; and all other executive officers as a group, 66,500 shares. Mr. Thomas Brice disclaims beneficial ownership of 49,796 shares that are directly owned by his spouse. Mr. Todd Brice disclaims beneficial ownership of 1,475 shares that are directly owned by his spouse. Mr. Miller disclaims beneficial ownership of 17,760 shares that are directly owned by his spouse. Mr. Papernick disclaims beneficial ownership of 23,989 shares held in trust for his grandchildren with his spouse as trustee.

* 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

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Stock. The SEC reporting rules require that changes in beneficial ownership generally be reported on Form 4 within two business days after the date on which the change occurs. A Form 3 to report stock holdings in S&T must be filed within ten days of when a director, executive officer or person who owns more than 10% of S&T's stock becomes subject to Section 16(a) of the Exchange Act.

Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2010, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were filed in a timely manner, with the exception of the following: executive officer Ernest Draganza did not timely file a Form 4 for restricted shares received at the time of his promotion to executive vice president due to a delay in receiving his filing credentials; Director Emeritus Ruth Grant did not timely file a Form 4 for shares sold from a charitable trust. The late filings were inadvertent, and the required filings have since been made.

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PROPOSAL 1 ELECTION OF DIRECTORS

General

The By-laws of S&T provide that the number of directors constituting the S&T Board will consist of not less than 12 nor more than 25, 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 17. Director Thomas A. Brice has announced his retirement from the S&T Board after his term expires at the Annual Meeting and accordingly he is not standing for re-election. Immediately following the Annual Meeting, the S&T Board will fix the number of directors at 16. The S&T Board has determined that the following 12 directors are independent under the NASDAQ listing standards: Mr. Brenzia, Mr. Delaney, Mr. Donnelly, Mr. Grube, Mr. Jones, Mr. Kirk, Mr. Krieger, Mr. Milano, Mr. Papernick, Mr. Rebich, Mr. Spadafora and Ms. Toretta.

At the 2008 annual meeting, amendments were approved and adopted by S&T's shareholders to Article Nine of S&T's Articles of Incorporation and Sections 206 and 207 of S&T's By-laws to declassify the S&T Board, remove the class designations for each of the directors' terms and institute annual voting for each director to serve a one-year term. Annual elections were phased in as terms of directors expired, beginning with the 2009 annual meeting. All directors will be elected annually at the 2011 Annual Meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below.

The nominees were each recommended to the Board by our Nominating and Corporate Governance Committee (the "Nominating Committee"). All of the nominees have indicated their willingness to serve, if elected, but if any should be unable or unwilling to serve, proxies may be voted for a substitute nominee designated by the S&T Board. Upon the resignation of Thomas Brice, effective upon the Annual Meeting, there will be no family relationships between or among any of our directors, executive officers or persons nominated or chosen to become a director or executive officer.

Set forth below is a brief description of the principal occupation and business experience of each of our nominees for director, as well as the summary of our views as to the qualifications of each nominee and continuing director to serve on the S&T Board and each board committee of which he or she is a member. Our views are informed not only by the current and prior employment and educational background of our directors, but also by the S&T Board's experience in working with their fellow directors. Each director has served on the S&T Board for at least three years, and certain nominees and continuing directors have 20 or more years of experience on the S&T Board. Accordingly, the S&T Board has had significant experience with the incumbent directors and has had the opportunity to assess the contributions that the directors have made to the board as well as their industry knowledge, judgment and leadership capabilities.

Director Nominees to be Elected at the 2011 Annual Meeting:

John N. Brenzia, 69, has served as a director of S&T since 2008 and is a member of the Audit Committee and the Nominating and Corporate Governance Committee. Mr. Brenzia has been Vice President & Chief Financial Officer of Irwin Car and Equipment since 2003. Mr. Brenzia, who joined our board following our acquisition of IBT Bancorp in 2008, has deep experience in finance and banking relationships. Mr. Brenzia served on the board of IBT Bancorp and was a member of its audit committee, and such experience as a director of a similar regional financial institution provides valuable insight to the board. In addition, his service as a director on the S&T Board assists with integration efforts in connection with the acquisition of IBT Bancorp. Mr. Brenzia's career serving in various management positions, specifically in the finance and treasury divisions, and in the manufacturing industry, provide the board with expertise regarding credit, contract administration, analysis of financial statements, operations and lending and borrowing practices. His management expertise, and experience in treasury and finance divisions, and his service on the audit committee of IBT Bancorp, qualifies him to serve on our Audit Committee, and his broad experiences as a director of IBT Bancorp provides a strong background to serve on our Nominating and Corporate Governance Committee.

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Todd D. Brice, 48, has been 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 26 years of banking experience, including eight years of senior management experience at S&T, we believe that Mr. Brice's deep industry knowledge and his expertise in our operations, commercial lending and corporate strategy provides the S&T Board with significant insight across a broad range of issues critical to our business. As our chief executive officer, Mr. Brice provides unique insight to the S&T Board regarding our day-to-day operations, customer information, competitive intelligence, general trends in national and local banking and issues regarding our financial results.

John J. Delaney, 69, has served as a director of S&T since 1987 and is a member of the Compensation and Benefits Committee and the Nominating and Corporate Governance Committee. Mr. Delaney has been the President of Delaney Chevrolet, Buick, Honda, Hyundai, Subaru since 1971 and President of Riehle Chevrolet, Inc. since 1983. We believe that Mr. Delaney's nearly 40 years of experience in the retail auto industry provides the Board with important experience regarding consumer lending and loan risk management. Mr. Delaney's extensive board experience during his career, including his service as a director of the board of the Indiana Chamber of Commerce, the Indiana Industrial Development Authority and the Indiana County Airport Authority Board, affords him valuable insight into the local business community. His management experience and board service, along with his deep experience as a long-standing member of the S&T Board, also qualify him to serve on our Compensation and Benefits Committee and our Nominating and Corporate Governance Committee. We also believe that his experience operating a series of auto dealerships also provides the Compensation and Benefits Committee with experience regarding motivating our executive team through our various compensation plans and policies.

Michael J. Donnelly, 53, has served as a director of S&T since 2001 and is a member of the Compensation and Benefits Committee and the Nominating and Corporate Governance 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. His experience in developing appropriate compensation for the executives and senior management of his company qualifies him to serve on our Compensation and Benefits Committee, and his experience on our board, as well as his management experience with a large publicly traded corporation, provides him with a solid background for service on our Nominating and Corporate Governance Committee.

William J. Gatti, 69, has been a director of S&T since 1993. Mr. Gatti is retired but is the founder and has served as the chief executive officer of Gatti LTC Pharmacy, a long term care provider, and was the founder and former chief executive officer and chairman of Millennium Pharmacy Systems, Inc., a long term care provider, from 2003 until 2008. He was also the owner and operator of Gatti Retail Pharmacy as well as Gatti Medical Supply, a medical distribution company. We believe that Mr. Gatti's experience in the medical industry offers valuable perspective and significant expertise to the S&T Board, and provides the S&T Board with a strategic outlook and management experience into operations and lending opportunities in the medical and medical care industries.

Jeffrey D. Grube, 57, has served as a director of S&T since 1997 and is a member of the Audit Committee and the Compensation and Benefits Committee. Mr. Grube has served as President of B.F.G. Manufacturing Service, Inc. since 1990. Mr. Grube's career as an executive in the manufacturing industry includes financial and engineering experience. His extensive experience working with small and medium-sized businesses provides the S&T Board with valuable experience regarding potential borrowers and customers, customer relations, lending issues and credit risk. Mr. Grube also served as a director on the board of a privately held company that supplies compliance products to lending solutions. Mr. Grube's executive and board experience in the manufacturing sector and experience with financial institutions allow him to bring relevant insight regarding regulatory and financial compliance issues to the S&T Board, including the Audit Committee.

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Frank W. Jones, 66, has served as a director of S&T since 1997 and is a member of the Audit Committee and the Nominating and Corporate Governance Committee. Mr. Jones is an attorney and has been practicing independently in Allegheny County since 1970. Mr. Jones joined the S&T Board following the acquisition of People's Bank of Unity, a regional financial institution, where he served on the board of directors. Mr. Jones assisted the S&T Board with integration and strategic issues following the acquisition. Mr. Jones' legal practice, which focuses on estate administration and estate litigation, allows him to provide valuable insight to the S&T Board specifically with respect to our Wealth Management division, including on such issues as customer acquisition, marketing, strategic considerations, compliance and legal risk. We believe that Mr. Jones' experience as a director of a similar bank to S&T, together with his legal experience as it relates to one of our core businesses and his 14 years of experience on the S&T Board, qualifies him to serve as a director and serve on our Audit Committee and Nominating and Corporate Governance Committee.

Joseph A. Kirk, 71, has served as director of S&T since 1993 and is a member of the Audit Committee and the Compensation and Benefits Committee. Mr. Kirk has been President of Beaver Meadow Creamery, Inc. since 1975 and has served as chief executive officer and chairman of the board since 1992. Mr. Kirk's experience leading Beaver Meadow and his career in manufacturing provide valuable insight to the S&T Board regarding their corporate customer base, lending issues and credit risk. We also believe that his experience as chief executive officer also provides the Compensation and Benefits Committee with insight and perspective regarding motivating our executive team through our various compensation plans and policies, and his experience with Beaver Meadow's financial matters adds broad experience to our Audit Committee.

David L. Krieger, 67, has served as a director of S&T since 2007. Mr. Krieger is retired but was formerly Senior Executive Vice President and Commercial Lending Group Manager of S&T and S&T Bank. We believe that Mr. Krieger's 24 years of experience at S&T, including leading our commercial lending group, adds valuable experience to the S&T Board. Mr. Krieger has deep knowledge of our lending practices and our customer base, and his commercial lending experience, both at S&T and at his prior employer, provides the S&T Board with significant operational insights regarding credit risk.

James V. Milano, 52, has been a director of S&T since 2006 and is a member of the Audit Committee and the Nominating and Corporate Governance Committee. Mr. Milano is a Certified Public Accountant and independent consultant. Mr. Milano was Chief Financial Officer of NEP Supershooters L.P. from 2001 to 2005. In total, Mr. Milano has 29 years of experience in public accounting, private industry and independent consulting on accounting and financial matters, including accounting, mergers and acquisitions advisory, capital markets and business management and process improvement. We believe that Mr. Milano's background in accounting and finance, as well as his operating experience, brings a valuable perspective to the S&T Board both with respect to accounting and financial and strategic aspects of S&T's business and to the Audit Committee on which he serves as audit committee financial expert.

James C. Miller, 65 has been Chairman of S&T and S&T Bank since 2004 and a director since 1993. 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 career of banking experience, including 39 years with S&T or an affiliate bank 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.

Alan Papernick, 73, has been a director of S&T since 1997. Mr. Papernick is an attorney and has been affiliated with the firm of Papernick and Gefsky, LLC and its predecessor, Papernick & Gefsky, P.C. since 1970. Mr. Papernick's wide-ranging practice and breadth of experience has been of particular value in assisting the S&T Board with evaluating business issues. Also, as the owner of multiple real estate interests in our geographic market, Mr. Papernick brings insightful real estate experience to the S&T Board, and assists the S&T Board with evaluating credit risk and lending opportunities with regard to real estate developers and other consumer and

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commercial borrowers purchasing or leasing real estate interests. Mr. Papernick's deep legal experience, specifically in our market, brings valuable experience and qualifies him to serve on the S&T Board.

Robert Rebich, Jr., 69, has been a director of S&T since 2008 and is a member of the Audit Committee and the Compensation and Benefits Committee. Mr. Rebich has been President of Amax Corporation, a property management firm, since 1996. Mr. Rebich joined the S&T Board following our acquisition of IBT Bancorp, and has provided the S&T Board with valuable transitional and strategic insights, in addition to advising on integration and operational issues. We believe that Mr. Rebich's experience in founding and operating a precision manufacturing company, in addition to his experience as a director of IBT Bancorp, provides the S&T Board with instrumental insight into commercial lending opportunities and risk that are critical to our business. His experience with respect to the financial aspects of operating his manufacturing company provides valuable perspective and expertise to our Audit Committee, and his management and prior board experience with a similar financial institution adds significant value to our Compensation and Benefits Committee, including advising on executive compensation policies and enhancing shareholder value.

Charles A. Spadafora, 69, has been a director of S&T since 1987 and is a member of the Compensation and Benefits Committee. Mr. Spadafora has been President of Colonial Motor Mart since 1975, President of Colonial Toyota since 1989, and President of Indiana Colonial Nissan d/b/a Mark Arbuckle Nissan since 2008. Mr. Spadafora has over 40 years of business experience in both small and large enterprises, with extensive business experience and involvement as a community leader in a large portion of the markets in which S&T operates. We believe Mr. Spadafora's over 20 years of service as a director of S&T and his decades of extensive involvement in communities which we serve provide the S&T Board with valuable perspective on the issues facing S&T and insight into the markets we serve, and assist our Compensation and Benefits Committee in developing our compensation policies and practices in order to secure talented employees, management and directors.

Christine J. Toretti, 54, has been a director of S&T since 1984 and is a member of the Nominating and Corporate Governance Committee. Ms. Toretti has been Chairman and Chief Executive Officer of S. W. Jack Drilling Company since 1990, a partner in C&N Company, a gas driller and production company since 1971 and the President of The Jack Company since 1988. Ms. Toretti's deep industrial and energy experience provides the S&T Board with a strategic outlook regarding lending and other commercial opportunities in these sectors, and 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.

Charles G. Urtin, 64, has been Vice Chairman of S&T and S&T Bank since 2008. Mr. Urtin is retired but was formerly President and Chief Executive Officer of IBT Bancorp, Inc. and Irwin Bank. We believe that Mr. Urtin's 40 years of banking experience, including serving as chief executive officer of IBT Bancorp and Irwin Bank, provides the S&T Board with valuable industry, strategic, financial and operational insight, and his long-standing presence as a leader of a regional bank operating in our geographic market assists the S&T Board with customer acquisition, credit risk analysis and loan portfolio management. Mr. Urtin has assisted the S&T Board with transition and integration issues following our acquisition of IBT Bancorp in 2008.

Board Recommendation

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

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CORPORATE GOVERNANCE

Director Independence

The S&T Board determines annually that a majority of directors serving on the S&T Board are independent as defined in the NASDAQ listing standards. In 2010, the S&T Board also considered all direct and indirect transactions described in "Transactions with Related Parties" and "Compensation Committee Interlocks and Insider Participation" in determining whether the director is independent. Finally, the S&T Board also considered whether a director has any other material relationships with S&T and concluded that none of these directors had a relationship that impaired the director's independence. There were no other related party transactions other than those described in the aforementioned sections of this Proxy Statement. The Nominating Committee has the delegated responsibility to evaluate each director's qualifications for independence for the S&T Board and for the committees of the S&T Board. Following review of the objective measures, the Nominating Committee and S&T Board also consider on a subjective basis each director's personal and/or business relationships, regardless of dollar amount.

On February 21, 2011, the S&T Board determined the following 12 directors are independent under the NASDAQ listing rules: Mr. Brenzia, Mr. Delaney, Mr. Donnelly, Mr. Grube, Mr. Jones, Mr. Kirk, Mr. Krieger, Mr. Milano, Mr. Papernick, Mr. Rebich, Mr. Spadafora and Ms. Toretti. As discussed below, all members of the Compensation and Benefits Committee and the Nominating Committee are independent under the NASDAQ rules. In addition, the S&T Board determined that each of the members of the Audit Committee are 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 2010, 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 lead director presiding over all executive sessions.

During 2010, the S&T Board held 17 board meetings, with the following number of meetings held by the S&T Board committees: Audit, four; Compensation and Benefits, five; Nominating and Corporate Governance, five; and Wealth Management Oversight, four. All directors attended at least 75% of the total number of meetings of the S&T Board and committees, except for Director Toretti, who attended 65% of S&T Board meetings and 69% of committee meetings on which she served, and Director Spadafora, who attended 71% of committee meetings. Ms. Toretti's absences were due to personal reasons approved by the S&T Board or to unavoidable scheduling conflicts. Ms. Toretti attended 75% of the regularly scheduled board meetings held during 2010, but missed three special meetings. Mr. Spadafora's committee meeting attendance included absences from three committee meetings that were scheduled concurrently with another S&T committee on which he served, and thus his absences were deemed reasonable. Mr. Spadafora attended 94% of the board meetings.

Board Structure; Separate Roles of Chairman and Chief Executive Officer

There are currently 17 directors comprising the S&T's Board. The S&T Board has established four Board Committees: Audit, Compensation and Benefits, Nominating and Corporate Governance, and Wealth Management Oversight. Directors also serve on a rotating basis on our Loan Committee.

We have a separate chairman of our Board of Directors, a non-executive position, and a Chief Executive Officer.

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

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to aid in the Board's oversight of management. Our Board believes that separation of the roles of Chairman and Chief Executive Officer is the best governance model for S&T and its shareholders at this time. Under this model, our Chairman can devote his attention to assuring that S&T has the proper governance controls in place, that our Board is properly structured from the standpoints of membership, size and diversity, and that management has the support it needs from the Board to carry out our strategic priorities. The Chief Executive Officer, 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 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 Chief Executive Officer and other members of the S&T Board;

assigning tasks to the appropriate committees of the S&T Board;

ensuring the information flows openly between senior management and the S&T Board; and

presiding over all meetings of shareholders.

The independent members of the S&T Board appointed Director Milano as the Lead Director. The Lead Director plays an important role in our corporate governance structure. The Lead Director's responsibilities include: convening executive sessions of the independent directors; setting the agenda of and leading meetings of the independent directors; briefing the Chairman and the chief executive officer regarding issues arising during executive sessions, as necessary; collaborating with the Chairman and the Chief Executive Officer to determine the board agenda and board information following consultations with the independent directors and the committee chairpersons; and facilitating board communication amongst the independent directors outside of board meetings. Finally, the Lead Director consults with the Chairman and Chief Executive Officer in advance of each Board meeting regarding the views of the independent directors.

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

The S&T Board's Role in Risk Oversight

Role of the S&T Board

The S&T Board oversees an enterprise-wide approach to risk management (ERM), designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces in its current and future activities and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for a regional full-service financial institution, particularly as a result of recent legislative and regulatory changes and our participation in the TARP Capital Purchase Program. Under ERM, our business unit managers will identify and quantify the levels and types of inherent risk within their areas of responsibility, based upon a standard definition of risk established by the Risk Management Committee. By utilizing a comprehensive and standardized view of the nature and level of risk for which we are exposed to 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, our Board administers its risk oversight function directly and through the Audit Committee, the Compensation and Benefits Committee (the Compensation Committee), the Risk Management Committee and through director participation in the Loan Committee.

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The Audit Committee 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. Pursuant to the terms of our Audit Committee charter, the CRO is accountable to both the Audit Committee and our Chief Executive Officer. 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 enterprise risk management process and environment that links corporate strategy and risk management.

The CRO, as the administrator of the ERM program, regularly meets with management, including the Chief Executive Officer, to discuss our various primary areas of risk identified as part of the ERM program, including credit matters and risks related to our loan portfolio; liquidity and market risks; capital requirements and ratios and related financial risk; legal, regulatory and compliance risks; and operational, reputational 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 also makes a presentation to the full Board of Directors at each Board meeting on corporate governance, compliance and risk-related matters.

The Audit Committee also is responsible for monitoring our compliance risk with respect to regulatory and legal matters, and also 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 to review and assess internal audit risks including executive sessions without management present.

Our Risk Management Committee, which is comprised of members of our senior management, including the Chief Risk Officer, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Audit Executive, Chief Compliance Officer, Chief Lending Officer and the Information Technology and Operations Officer, meets regularly 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 and reviews ERM reports before presentation to the S&T Board or Audit Committee. The Audit Committee receives information from the CRO regarding activities of the Risk Management Committee including meeting minutes, oversees management's implementation and enforcement of S&T's risk management policies, procedures and guidelines including adherence to the risk assessment methodology process and documentation thereof, and reviews outstanding management action plans for risk remediation including regulatory examination matters.

The Compensation Committee is responsible for assessing and mitigating risks associated with S&T's compensation practices, both with respect to S&T's Named Executive Officers (as further defined and described in the Compensation Discussion and Analysis section of this Proxy Statement) and its employees generally. The Compensation Committee reviews the incentive compensation arrangements for S&T's Named Executive Officers with the CRO 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 at least semi-annually to discuss and evaluate the risk posed to S&T by its employee compensation plans.

Our Loan Committee is comprised of nine directors, the Chief Lending Officer and the Chief Credit Officer. Directors serve on the Loan Committee on a rotating basis so that all directors serve from time to time on the Loan Committee. Participation on the Loan Committee enables directors to assess and monitor the risk associated with credits being brought into S&T Bank's loan portfolio by our loan officers. The Loan Committee meets on a monthly basis and reviews all loans and loan participations proposed to be entered into by S&T Bank in excess of \$5 million in new money requests, outstanding special mention or substandard risk rated credits or worse with an aggregate credit exposure in excess of \$10 million and credit relationships with overall exposure in excess of \$24 million.

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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 goal, an audited number, and the granting of restricted stock subject to a one or two year vesting that serves the additional purpose of encouraging senior officers to make decisions currently that promote long-term growth and retention combined with stock ownership guidelines. All awards granted under the 2010 incentive plans will be 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, and engaged Buck Consultants LLC (Buck), an independent consultant, in 2009 and 2010 to provide the CRO assistance in evaluating and reviewing all S&T employee incentive compensation plans and policies to ensure that such plans and policies do not motivate any employee, including executive officers, to conduct inappropriate or unnecessary risk-taking and do not encourage behavior focused on short-term results rather than long-term value creation. Based on the review by the Compensation Committee, the review of our Troubled Asset Relief Program and Capital Purchase Program compliance by our CRO and the report issued by Buck, the S&T Board determined that it is not reasonably likely that S&T's compensation and benefit plans would have a material adverse effect on the Company.

Audit Committee

The members of the Audit Committee are John Brenzia, Jeffrey Grube, Frank Jones, Joseph Kirk, James Milano and Robert Rebich, Jr. 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 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 54.

James Milano has been designated by the S&T Board as S&T's audit committee financial expert. The S&T Board has determined that Mr. Milano meets the qualifications of an audit committee financial expert under SEC regulations adopted under the Sarbanes-Oxley Act of 2002. Mr. Milano is a CPA with 21 years of public accounting experience, including managing partner of Datemala Milano & Associates and four years of experience serving as CFO of NEP Supershooters L.P. He has a BS in business administration and an MS in taxation. This experience and education gives Mr. Milano an understanding of U.S. generally accepted accounting principles and financial statements; the ability to assess general applications of such principles in connection with accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements presenting a breadth and level of complexity of accounting issues that are comparable to S&T's financial statements; an understanding of internal control over financial reporting; and an understanding of audit committee functions.

Compensation and Benefits Committee

The members of the Compensation Committee are John Delaney, Michael Donnelly, Jeffrey Grube, Joseph Kirk, Robert Rebich, Jr., and Charles Spadafora. 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

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management. A written charter approved by the S&T Board governs the 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 executives, 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 on a backward-looking basis. It ensures that the incentive compensation arrangements for S&T do not encourage employees to take risks that are beyond our 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 2010 are described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement.

Additionally, because S&T is participating in the Troubled Asset Relief Program (TARP) Capital Purchase Program (CPP) established by the U.S. Department of Treasury (U.S. Treasury) under the Emergency Economic Stabilization Act of 2008 (EESA), the Compensation Committee has additional responsibilities under the EESA, as amended by the American Recovery and Reinvestment Act of 2009 (the ARRA). Those additional responsibilities include the following:

discussing, evaluating and reviewing with S&T's senior risk officers, at least every six months, the compensation plans for S&T's Named Executive Officers to ensure that such compensation arrangements do not encourage the Named Executive Officers to take unnecessary risks that threaten the value of S&T;

discussing, evaluating and reviewing with S&T's senior risk officers, at least every six months, all of S&T's employee compensation plans in light of the risks posed to S&T by such plans and how to limit such risks;

discussing, evaluating and reviewing, at least every six months, all of S&T's employee compensation plans to ensure that the plans do not encourage the manipulation of S&T's reported earnings to enhance the compensation of any employee; and

annually certifying its completion of its reviews of S&T's compensation plans and providing disclosure regarding (i) how the Named Executive Officer compensation plans do not encourage unnecessary and excessive risks, (ii) the risks posed by S&T's employee compensation plans and how such risks were limited, and (iii) how S&T has ensured that its employee plans do not encourage the manipulation of earnings to enhance the compensation of any employees.

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

Nominating and Corporate Governance Committee

The members of the Nominating Committee are John Brenzia, John Delaney, Michael Donnelly, Frank Jones, James Milano and Christine Toretti. The Nominating Committee functions are to assist the S&T Board in

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reviewing the qualifications and independence of the members of the S&T Board and its various committees on a periodic basis as well as the composition of the S&T Board as a whole; to oversee the evaluation of the performance of the S&T Board and its committees as a whole; to select director nominees for election by shareholders; and to provide guidance to the S&T Board on corporate governance issues. In addition, the Nominating Committee reviews all transactions with related parties, as further described on page 51 of this Proxy Statement. A written charter approved by the S&T Board governs the committee. A copy of the charter is included on S&T's website www.stbancorp.com, under Corporate Governance. The committee is comprised entirely of independent board members, as defined by NASDAQ listing standards.

Director Qualifications and Nominations; Board Diversity

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

In evaluating and selecting nominees to the Board, the Nominating Committee takes into account all factors and criteria it considers appropriate, which includes but is not limited to: high personal and professional integrity; sound judgment and exceptional ability; business experience; area of residence in relationship to S&T's geographic market; other directorship experience that would be beneficial to the S&T Board and management of S&T; diversity of experience relative to that of other S&T directors; diversity of age, gender, minority status, 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 2010. 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

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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, applicable laws and regulations relating to the disclosure of information.

Code of Conduct and Ethics

The S&T Board has adopted a Code of Conduct for directors, officers and employees, which is posted on S&T's website www.stbancorp.com, under Corporate Governance. The Code of Conduct addresses the professional, honest and candid conduct of each director, officer and employee; conflicts of interest, disclosure process, compliance with laws, rules and regulations (including insider trading laws); corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets; and encourages the reporting of any illegal or unethical behavior. A waiver for an executive officer or director of S&T may be made only by the S&T Board and must be promptly disclosed as required by SEC or NASDAQ rules. S&T will disclose any such waivers, as well as any amendments to the Code of Conduct, on S&T's website. Shareholders may obtain a printed copy of the Code of Conduct by contacting the Secretary at the address previously provided.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during 2010 were John Delaney, Michael Donnelly, Jeffrey Grube, Joseph Kirk, Robert Rebich, Jr. and Charles Spadafora.

During 2010, S&T Bank made payments of \$196,233 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.

During 2010, S&T Bank made aggregate payments of \$143,104 for the purchase and maintenance of vehicles and the lease of a parking lot from companies owned or controlled by Director Delaney. The terms of the parking lot lease agreement provide for a monthly payment of \$4,000 until April 30, 2010 with additional four successive renewal options of five years each and one successive renewal option of four years. S&T exercised the first option extending the lease from May 1, 2010 to April 30, 2015. The monthly rental shall be increased for each renewal term based on the Consumer Price Index. The monthly payment for the months of May through December of 2010 was \$4,630.

No member of the Compensation Committee was at any time during fiscal 2010 an officer or employee of our company 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 2010, 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.

Table of Contents**DIRECTOR COMPENSATION**

The Nominating Committee annually reviews the S&T director compensation. S&T's director compensation is designed to align the board of directors with its shareholders and to attract, motivate, and retain high performing members critical to our company's success.

The following table provides information concerning compensation paid by S&T Bank to its non-employee directors during 2010.

Director Compensation Table for Fiscal Year 2010

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
John N. Brenzia	36,800	20,000	0	0	0	0	56,800
Thomas A. Brice	33,300	20,000	0	0	0	0	53,300
John J. Delaney	39,500	20,000	0	0	0	0	59,500
Michael J. Donnelly	39,200	20,000	0	0	0	0	59,200
William J. Gatti	36,500	20,000	0	0	0	0	56,500
Jeffrey D. Grube	49,800	20,000	0	0	0	0	69,800
Frank W. Jones	42,300	20,000	0	0	0	0	62,300
Joseph A. Kirk	58,000	20,000	0	0	0	0	78,000
David L. Krieger	38,500	20,000	0	0	0	0	58,500
James V. Milano	50,400	20,000	0	0	0	0	70,400
James C. Miller	45,600	20,000	0	0	0	0	65,600
Alan Papernick	32,600	20,000	0	0	0	0	52,600
Robert Rebich, Jr.	35,200	20,000	0	0	0	0	55,200
Charles A. Spadafora	33,900	20,000	0	0	0	0	53,900
Christine J. Toretta	28,300	20,000	0	0	0	0	48,300
Charles G. Urtin	34,700	20,000	0	0	0	0	54,700

- (1) The S&T Board awarded 888 restricted shares of Common Stock to each director on the S&T Board on April 19, 2010, with such shares vesting in full on April 18, 2011. The fair market value of the Common Stock granted on April 19, 2010 was \$22.53 per share. The values for stock awards in this column represent the grant date fair value of the restricted stock units granted in 2010, computed in accordance with FASB ASC Topic 718. Information about the assumptions used to value these awards can be found in Note 19 Incentive and Restricted Stock Plan and Dividend Reinvestment Plan in our Annual Report on Form 10-K for the year ended December 31, 2010. This column includes the value of these stock awards, all of which were issued under the 2003 Plan.
- (2) As of December 31, 2010, each director had restricted stock awards of 888 shares. Also, each director had the following number of outstanding options to purchase the indicated number of shares of Common Stock: John Brenzia, 0 shares; Thomas Brice, 15,500 shares; John Delaney, 15,500 shares; Michael Donnelly, 15,500 shares; William Gatti, 15,500 shares; Jeffrey Grube, 15,500 shares; Frank Jones, 15,500 shares; Joseph Kirk, 15,500 shares; David Krieger, 27,000 shares; James Milano, 0 shares; James Miller, 70,000 shares; Alan Papernick, 7,500 shares; Robert Rebich, 0 shares; Charles Spadafora, 15,500 shares; Christine Toretta, 15,500 shares; and Charles Urtin, 0 shares. (These outstanding options are vested, but not currently in the money.)

Table of Contents**Directors Compensation**

Employee members of the S&T Board receive no additional compensation for participation on the S&T Board. In 2010, our non-employee Directors received compensation for attending board and committee meetings, or training sessions, in the amounts described below.

Directors	
Annual Cash Retainer	\$ 12,500
Stock Award ⁽¹⁾	20,000
Board Meeting Attendance Fee	1,000
Board Meeting Fee (phone)	500
Board Committee Fee	800
Board Committee Fee (phone)	500
Training/Seminar Fee (on-site)	800
Training/Seminar Fee (off-site)	1,000
Committee Chairperson Retainer Fee	
Audit	\$ 10,000
Nominating and Corporate Governance	5,000
Compensation and Benefits	5,000
Wealth Management Oversight	1,000
Audit Committee Financial Expert	7,500

(1) The number of shares granted is based on the fair market value of the common stock on the date of grant. The S&T Board awarded 888 restricted shares of Common Stock on April 19, 2010 with 100% vesting on April 18, 2011. The fair market value of Common Stock on April 19, 2010 was \$22.53 per share.

S&T Bank has a loan committee comprised of directors who serve on a rotating basis. The directors are compensated in the amount of \$800 per meeting attended.

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**PROPOSAL 2: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2011**

The Audit Committee of the S&T Board appointed the firm of KPMG LLP, independent registered public accounting firm, to audit and report on S&T's financial statements for the fiscal year ending December 31, 2011. Action by shareholders is not required by law in the appointment of independent accountants. However, the S&T Board considers this selection to be an important issue and therefore is submitting the selection of KPMG LLP for ratification by the shareholders. If the shareholders do not ratify this selection, the selection will be reconsidered by the Audit Committee.

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

Fees Paid to Independent Registered Public Accounting Firm

During the fiscal years ended December 31, 2010 and December 31, 2009, KPMG LLP served as S&T's independent registered public accounting firm (Independent Accountants).

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

	2010	2009
Audit Fees	\$ 726,500	\$ 597,046
Audit-Related Fees	110,319	297,770
Tax Fees	43,750	43,186
All Other Fees	1,500	2,500
	\$ 882,069	\$ 940,502

Audit Fees includes fees for audit services associated with the annual audit, the reviews of S&T's quarterly reports on Form 10-Q, accounting, consultations and SEC registration statements.

Audit-Related Fees includes fees billed in 2010 for a Student Lending Audit, a SAS 70 examination for S&T's Wealth Management and due diligence procedures in connection with a potential acquisition. The 2009 fees are related to an investigation as a result of a commercial loan customer misappropriating construction funds and a review of credit governance policies and procedures.

Tax Fees includes fees related to the preparation of federal and state income tax returns in 2010 and 2009.

All Other Fees for 2010 represents subscription fees for an accounting and auditing research tool. The 2009 fees relate to an International Financial Reporting Standards presentation conducted by KPMG for members of our senior management.

All 2009 and 2010 fees were paid to KPMG LLP.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for the approval of all services performed by the Independent Accountants. All services provided by the Independent Accountants in 2010 were pre-approved by the Audit Committee. The Audit Committee is required to pre-approve all audit and non-audit services performed by the

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Independent Accountants to assure that the provision of such services does not impair the Independent Accountant's independence. In addition, any proposed services exceeding pre-approved cost levels will require specific pre-approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated will report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the Independent Accountants to management.

Board Recommendation

**THE S&T BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE
SELECTION OF KPMG LLP AS AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2011.**

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PROPOSAL 3: ADVISORY VOTE ON S&T'S EXECUTIVE COMPENSATION

Background of the Proposal

On January 16, 2009, S&T sold a series of its preferred stock and a common stock purchase warrant to the U.S. Treasury under the TARP CPP created under the EESA. On February 17, 2009, the President of the United States signed into law ARRA. The ARRA contains a requirement that those financial institutions, like S&T, which have sold preferred stock and issued warrants to the U.S. Treasury under the CPP, permit a separate and non-binding shareholder vote to approve the compensation of such financial institution's executive officers. The U.S. Treasury and the SEC issued guidance that requires participants in the CPP to submit to shareholders annually for their approval the executive compensation arrangements as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in their proxy statements.

Executive Compensation

S&T believes that its compensation policies and procedures, which are reviewed and approved by the Compensation Committee, encourage a culture of pay for performance and are strongly aligned with the long-term interests of shareholders. S&T considers overall corporate performance as well as individual initiative and achievements when reviewing and approving all compensation decisions relating to the chief executive officer, chief financial officer and the three other executive officers named in the Summary Compensation Table (collectively, the Named Executive Officers). S&T's policy is to provide compensation that is competitive within the banking industry of financial institutions of similar size and product offerings, to attract and retain qualified executives; is integrated with S&T's corporate performance goals, comprised of multiple performance measures; rewards exceptional individual performance within the assigned area of operational responsibility; and, importantly, aligns the interests of senior management with the interests of S&T's shareholders. Compensation arrangements are intended to recognize short- and long-term performance, include both cash and equity components and adhere to the following key principles:

Appropriately balance risk and reward;

Are compatible with effective controls and risk-management; and

Are supported by strong corporate governance, including active and effective oversight by the Compensation Committee.

One of the main objectives of S&T's executive compensation program is to align a significant portion of each executive officer's total compensation with the annual and long-term performance of S&T and the interests of S&T's shareholders. For fiscal year 2010, the Compensation Committee administered the 2010 Management Incentive Plan (the 2010 MIP) for senior officers, defined as senior vice president and higher, as an annual incentive award to more closely align the interests of shareholders and senior management by making a greater percentage of senior management's total compensation dependent on the annual performance of S&T and the achievement of individual departmental goals. Effective January 1, 2011, the Compensation Committee approved the 2011 MIP and the Long-Term Incentive Plan (LTIP), which provide short- and long-term incentive opportunities, respectively. These programs are designed to align the incentive pay of senior executives with the ultimate goal of achieving long-term sustained value creation for S&T's shareholder base. The reward structure under these plans is highly contingent on the senior executives meeting pre-established performance standards that are essential for S&T to meet its business imperatives and were based on a rigorous set of financial analyses performed by Buck Consultants, and agreed to by management and the Compensation Committee.

Further, the Compensation Committee believes that stock ownership by management and stock-based performance compensation arrangements are beneficial in aligning management and shareholders' interests and serves as an executive retention tool through vesting requirements. The 2010 MIP, 2011 MIP and the LTIP continue to provide such an incentive through granting of restricted stock. In addition, the Compensation

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Committee has established guidelines that limit senior management to selling only 25% of the vested restricted shares of Common Stock for current tax liabilities, until the officer achieves the stock ownership guidelines. The 2010 MIP, 2011 MIP, LTIP and stock ownership guidelines are more fully described in the Compensation Discussion and Analysis in this Proxy Statement.

S&T and the Compensation Committee remain committed to the compensation philosophy, policies and objectives outlined under Compensation Discussion and Analysis. Named Executive Officer compensation for 2011 reflects the effectiveness of S&T's executive compensation program in fulfilling its short- and long-term objectives. The Compensation Committee will continue to review all elements of the executive compensation program and take any steps it deems necessary to continue to fulfill the objectives of the program.

Shareholders are encouraged to carefully review the Compensation Discussion and Analysis and Executive Compensation sections of this Proxy Statement for a detailed discussion of S&T's executive compensation program.

As required by the ARRA and the guidance provided by the SEC, the S&T Board has authorized a non-binding shareholder vote on S&T's executive compensation plans, programs and arrangements as reflected in the Compensation Discussion and Analysis, the disclosures regarding named executive officer compensation provided in the various tables included in this Proxy Statement, the accompanying narrative disclosures and the other compensation information provided in this Proxy Statement. This proposal, commonly known as a Say on Pay proposal, gives S&T's shareholders the opportunity to endorse or not endorse S&T's executive pay program and policies through the following non-binding resolution:

RESOLVED, that the holders of the common stock of S&T approve the compensation of S&T's executives named in the Summary Compensation Table of S&T's Proxy Statement for the 2011 Annual Meeting of Shareholders, including the Compensation Discussion and Analysis, the Executive Compensation tables and the related disclosure contained in the Proxy Statement.

Vote Required; Effect

Approval of S&T's executive compensation policies and procedures would require that the number of votes cast in favor of the proposal exceed the number of votes cast against it. Abstentions and broker non-votes will not be counted as votes cast and therefore will not affect the determination as to whether S&T's executive compensation policies and procedures are approved. Because this shareholder vote is advisory, it will not be binding upon the S&T Board. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

Board Recommendation

THE S&T BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THIS ADVISORY PROPOSAL ON EXECUTIVE COMPENSATION. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED BY S&T WILL BE VOTED FOR THIS PROPOSAL.

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As of March 25 2011, the executive officers of S&T are:

Name	Age	Principal Occupation During Past 5 Years	Officer of Corporation Since
Todd D. Brice	48	President and Chief Executive Officer of S&T and S&T Bank, since April 2008; President and Chief Operating Officer of S&T and S&T Bank from August 2004 to April 2008; Executive Vice President of Commercial Lending at S&T and S&T Bank from December 2002 to August 2004	2002
Mark Kochvar	50	Senior Executive Vice President and Chief Financial Officer since February 2010; Executive Vice President, Treasury and Investments since January 2008; Senior Vice President, Treasury and Investments, January 2001 to December 2007	2008
Edward C. Hauck	58	Senior Executive Vice President and Chief Operating Officer, since April 2008; Senior Executive Vice President and Retail Banking and Support Services Group Manager, August 2004 to April 2008; Executive Vice President and Retail Banking and Support Services Group Manager, January 1997 to August 2004	1991
David G. Antolik	44	Senior Executive Vice President, Chief Lending Officer, since January 2008; Executive Vice President, Commercial Lending, August 2004 to December 2007; Senior Vice President, Commercial Lending, January 2002 to August 2004	2004
Ernest J. Draganza	46	Executive Vice President, Chief Risk Officer and Secretary since February 2010; Senior Vice President, Risk Management Officer, January 2006 to January 2010; Vice President, Risk Management Officer, January 2004 to December 2005	2010
Thomas E. Kiral	50	Executive Vice President and Managing Director of S&T Insurance Group, since June 2001	2001
Michelle Petrovsky	44	Executive Vice President, Commercial Lending, since January 2008; Senior Vice President, Commercial Lending, January 2004 to December 2007	2008
Malcolm E. Polley	48	President and Chief Investment Officer, Stewart Capital Advisors, LLC, since August 2005; Chairman & President, Stewart Capital Mutual Funds, since November 2006; Executive Vice President and Chief Investment Officer of S&T and S&T Bank, since January 2006; Senior Vice President, Chief Investment Officer, January 2003 to December 2005	2006
David P. Ruddock	49	Senior Executive Vice President, Chief Administrative Officer for Market Sales, Bank Operations and Corporate Technology since January 2011; Executive Vice President, Information Technology and Operations from January 2004 to January 2011	2004

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Approval Process

Executive compensation decisions are made by the six-member Compensation Committee of the S&T Board. Each member of the Compensation Committee is a non-employee director and qualifies as an independent director under the NASDAQ listing standards. The Compensation Committee independently decides the compensation that S&T will pay the chief executive officer. For the remaining executive officers, the chief executive officer makes recommendations to the Compensation Committee, which reviews, approves or adjusts the recommendations. The Compensation Committee meets in an executive session to discuss and finalize its decisions regarding the chief executive officer's compensation. The S&T Board reviews all decisions relating to the compensation of executive officers, except for decisions about awards under the S&T Bancorp, Inc. 2003 Incentive Stock Plan (the 2003 Plan), the S&T 2010 Management Incentive Plan (the 2010 MIP), the S&T 2011 Management Incentive Plan (the 2011 MIP) and the S&T Bank Long-Term Incentive Plan (LTIP), which are made solely by the Compensation Committee. The Compensation Committee may delegate to its chairperson such power and authority as the Compensation Committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole Compensation Committee or a subcommittee of at least two members.

The Compensation Committee operates under a written charter approved by the S&T Board, which it reviews, modifies as necessary and reaffirms on an annual basis.

Compensation Philosophy

The Compensation Committee considers overall corporate performance as well as individual initiative and achievements when reviewing and approving all compensation decisions relating to our chief executive officer, chief financial officer and the three other executive officers named in the Summary Compensation Table (collectively, the Named Executive Officers). The policy of the Compensation Committee is to provide compensation that is competitive within the banking industry of financial institutions of similar size and product offerings, to attract and retain qualified executives; is integrated with S&T's corporate performance goals, comprised of multiple performance measures; rewards exceptional individual performance within the assigned area of operational responsibility; and, importantly, aligns the interests of senior management with the interests of S&T's shareholders. The Compensation Committee also believes that compensation should recognize short- and long-term performance and include both cash and equity components while recognizing the need to adhere to certain key principles by establishing compensation arrangements that:

Appropriately balance risk and reward;

Are compatible with effective controls and risk-management; and

Are supported by strong corporate governance, including active and effective oversight by the Compensation Committee.

To meet the objectives of its policy, the Compensation Committee has established a compensation program for senior management, including the Named Executive Officers, which includes the following compensation elements:

Salaries;

Incentive awards; and

Certain other benefits.

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The Compensation Committee reviews the compensation programs established by peer banks for executives having similar responsibilities to S&T's executives to establish competitive benchmarks for S&T's compensation program. For 2010, the peer banks were based on similar size and scope to S&T, operate both inside and outside S&T's geographic market and included the following banks for pay comparison purposes (collectively the 2010 Peer Banks):

BancFirst Corporation	Harleysville National Corporation
City Holding Company	National Penn Bancshares, Inc.
Community Bank System, Inc.	Park National Corporation
F.N.B. Corporation	Republic Bancorp, Inc.
First Commonwealth Financial Corporation	Sandy Spring Bancorp, Inc.
First Financial Bancorp	WesBanco, Inc.

In addition, the Compensation Committee considers general industry peer group information contained in the SNL Financial Comparison Report and other relevant survey data.

During 2009, the Compensation Committee engaged Buck Consultants, LLC (Buck) to serve as an independent advisor to the Compensation Committee and to provide consultative services and assistance to S&T's Chief Risk Officer with regard to evaluating its compensation programs for compliance with the Troubled Asset Relief Program (TARP) Standards for Compensation and Governance Interim Final Rule (as issued by the Department of the Treasury on June 15, 2009, as amended, and applicable to entities that have received financial assistance under TARP). Buck presented its findings and recommendations to the chief executive officer, the chief financial officer and the Compensation Committee in a written report on December 14, 2009. Buck's overall assessment was that S&T's compensation programs comply with the aforementioned TARP standards and suggested process enhancements for the design and ongoing administration of S&T's compensation programs. The Compensation Committee accepted, and S&T is in process of implementing, the recommendations. Buck advised the Chief Risk Officer and the Compensation Committee during the 2010 risk assessments of S&T's compensation programs.

In addition, the Compensation Committee engaged Buck to review and assess management's proposals for the 2010 MIP for senior officers, defined as senior vice president and higher, and the S&T Bank 2010 Employee Incentive Plan (2010 EIP) for employees below senior vice president. The engagement was also intended to assist the Compensation Committee in its overall consideration of the 2010 compensation program for S&T's executive officers. The Compensation Committee considered and accepted Buck's recommendations when finalizing the terms of these incentive plans. In August 2010, as part of S&T's objective of re-establishing a long-term incentive program and expanding upon its annual incentive program which had been re-established during the 2010 fiscal year, the Compensation Committee engaged Buck to serve as an independent advisor to the Compensation Committee and to provide consultative services and assistance to S&T as follows: