

WINTRUST FINANCIAL CORP

Form DEF 14A

April 19, 2007

**Table of Contents**

OMB APPROVAL

---

OMB Number: 3235-0059  
Expires: January 31, 2008  
Estimated  
average burden  
hours per  
response 14

**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

**Wintrust Financial Corporation**

---

(Name of Registrant as Specified In Its Charter)  
N/A

---

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

---

2) Aggregate number of securities to which transaction applies:

---

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

---

4) Proposed maximum aggregate value of transaction:

---

5) Total fee paid:

---

o Fee paid previously with preliminary materials.

---

o 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:

---

SEC 1913 (02-02)

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

---

**Table of Contents**

**WINTRUST FINANCIAL CORPORATION**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 24, 2007**

To the Shareholders of Wintrust Financial Corporation:

You are cordially invited to attend the 2007 Annual Meeting of Shareholders of Wintrust Financial Corporation to be held at the Michigan Shores Club, 911 Michigan Avenue, Wilmette, IL 60091, on Thursday, May 24, 2007, at 10:00 a.m. local time, for the following purposes:

1. To elect eight Directors to hold office until the 2008 Annual Meeting of Shareholders;
2. To consider ratification of the appointment of Ernst & Young LLP to serve as the independent registered public accounting firm for the year 2007; and
3. To transact such other business as may properly come before the meeting and any adjournment thereof.

The Record Date for determining shareholders entitled to notice of, and to vote at, the Annual Meeting is the close of business on April 5, 2007. We encourage you to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, we urge you to vote by either completing your proxy card and returning it in the enclosed postage-paid envelope or by Internet or telephone voting. The instructions printed on your proxy card describe how to use these convenient services.

By order of the Board of Directors,

David A. Dykstra  
Secretary

April 25, 2007

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, IT IS IMPORTANT THAT  
YOU VOTE BY ONE OF THE METHODS NOTED ABOVE.**

---

**TABLE OF CONTENTS**

|   |    |
|---|----|
| <u>About the Meeting</u>  | 1  |
| <u>Proposal No. 1 Election of Directors</u>   | 4  |
| <u>Board of Directors, Committees and Governance</u>                                | 7  |
| <u>Executive Officers of the Company</u>  | 12 |
| <u>Executive Compensation</u>   | 14 |
| <u>Compensation Committee Report</u>  | 21 |
| <u>2006 Summary Compensation Table</u>  | 22 |
| <u>Grants of Plan-Based Awards</u>  | 23 |
| <u>Outstanding Equity Awards at Fiscal Year-End</u>                                 | 24 |
| <u>Option Exercises and Stock Vested</u>  | 25 |
| <u>Potential Payments Upon Termination or Change in Control</u>                     | 25 |
| <u>Director Compensation</u>  | 29 |
| <u>Security Ownership of Certain Beneficial Owners, Directors and Management</u>    | 32 |
| <u>Related Party Transactions</u>   | 33 |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u>                      | 33 |
| <u>Report of the Audit Committee</u>  | 34 |
| <u>Proposal No. 2 Ratification of Independent Registered Public Accounting Firm</u> | 35 |
| <u>Audit and Non-Audit Fees Paid</u>  | 35 |
| <u>Shareholder Proposals</u>  | 36 |
| <u>Other Business</u>   | 36 |

---

**Table of Contents**

**WINTRUST FINANCIAL CORPORATION  
727 North Bank Lane  
Lake Forest, Illinois 60045**

**PROXY STATEMENT  
FOR THE 2007 ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD THURSDAY, MAY 24, 2007**

These proxy materials are furnished in connection with the solicitation by the Board of Directors (the **Board**) of Wintrust Financial Corporation, an Illinois corporation ( **Wintrust** or the **Company** ), of proxies to be used at the 2007 Annual Meeting of Shareholders of the Company and at any adjournment of such meeting (the **Annual Meeting** ). This proxy statement (this **Proxy Statement** ), together with the Notice of Annual Meeting and proxy card are first being mailed to shareholders on or about April 25, 2007.

**ABOUT THE MEETING**

**What is the purpose of the Annual Meeting?**

At the Annual Meeting, shareholders will act upon the matters described in the Notice of Annual Meeting that accompanies this Proxy Statement, including the election of eight Directors and the ratification of the Audit Committee's selection of Ernst & Young LLP as Wintrust's independent registered public accounting firm for 2007.

**Who may vote at the Annual Meeting?**

Only record holders of the Company's common stock as of the close of business on April 5, 2007 (the **Record Date** ), will be entitled to vote at the meeting. On the Record Date, the Company had outstanding 24,255,214 shares of common stock. Each outstanding share of common stock entitles the holder to one vote.

**What constitutes a quorum?**

The Annual Meeting will be held only if a quorum is present. A quorum will be present if a majority of the shares of Company common stock issued and outstanding on the Record Date are represented, in person or by proxy, at the Annual Meeting. Shares represented by properly completed proxy cards either marked **abstain** or **withhold** authority, or returned without voting instructions are counted as present for the purpose of determining whether a quorum is present. Also, if shares are held by brokers who are prohibited from exercising discretionary authority for beneficial owners who have not given voting instructions ( **broker non-votes** ), those shares will be counted as present for quorum purposes.

**How do I submit my vote?**

If you are a stockholder of record, you can vote by:

attending the Annual Meeting;

signing, dating and mailing in your proxy card;

using your telephone, according to the instructions on your proxy card; or

visiting [www.illinoisstocktransfer.com](http://www.illinoisstocktransfer.com), clicking on Internet Voting and following the instructions on the screen.

The deadline for voting by telephone or on the Internet is 11:59 p.m. Central Time on May 22, 2007.

**What do I do if I hold my shares through a broker, bank or other nominee?**

If you hold your shares through a broker, bank or other nominee, that institution will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available. If you hold

---

**Table of Contents**

your shares through a broker, bank or other nominee and would like to vote in person at the Annual Meeting, you must first obtain a proxy issued in your name from the institution that holds your shares.

**Can I change my vote after I return my proxy card?**

Yes. If you are a shareholder of record, you may change your vote by:

voting in person by ballot at the Annual Meeting;

returning a later-dated proxy card;

entering a new vote by telephone or on the Internet; or

delivering written notice of revocation to the Company's Secretary by mail at 727 North Bank Lane, Lake Forest, IL 60045.

If you vote other than by phone or Internet, you may change your vote at any time before the actual vote. If you vote by phone or Internet, you may change your vote if you do so prior to 11:59 Central Time on May 22, 2007. If you hold your shares through an institution, that institution will instruct you as to how your vote may be changed.

**Who will count the votes?**

The Company's tabulator, Illinois Stock Transfer Company, will count the votes.

**Will my vote be kept confidential?**

Yes. As a matter of policy, shareholder proxies, ballots and tabulations that identify individual shareholders are kept secret and are available only to the Company, its tabulator and inspectors of election, who are required to acknowledge their obligation to keep your votes confidential.

**Who pays to prepare, mail and solicit the proxies?**

The Company pays all of the costs of preparing, mailing and soliciting proxies. The Company asks brokers, banks, voting trustees and other nominees and fiduciaries to forward proxy materials to the beneficial owners and to obtain authority to execute proxies. The Company will reimburse the brokers, banks, voting trustees and other nominees and fiduciaries upon request. In addition to solicitation by mail, telephone, facsimile, Internet or personal contact by its officers and employees, the Company has retained the services of Morrow & Co., Inc. to solicit proxies for a fee of \$3,500 plus expenses.

**What are my voting choices when voting for the election of Directors?**

Shareholders may:

- (a) Vote FOR (in favor) of all nominees;
- (b) WITHHOLD votes as to all nominees; or
- (c) WITHHOLD votes as to specific nominees.



**What are my voting choices when voting on the ratification of the selection of Ernst & Young LLP as Wintrust's independent registered public accounting firm?**

Shareholders may:

- (a) Vote FOR the ratification;
- (b) Vote AGAINST the ratification; or
- (c) ABSTAIN from voting on the ratification.

## **Table of Contents**

### **What are the Board's recommendations?**

The Board recommends a vote:

FOR the election of the eight Director nominees; and

FOR the ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2007.

### **How will my shares be voted if I sign, date and return my proxy card?**

If you sign, date and return your proxy card and indicate how you would like your shares voted, your shares will be voted as you have instructed. If you sign, date and return your proxy card but do not indicate how you would like your shares voted, your proxy will be voted:

FOR the election of the eight Director nominees;

FOR the ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2007; and

in accordance with the best judgment of the persons voting the proxies, with respect to any other business which may properly come before the meeting, or any adjournment of the meeting, that is submitted to a vote of the shareholders, including whether or not to adjourn the meeting.

### **How will broker non-votes be treated?**

We will treat broker non-votes as present to determine whether or not we have a quorum at the Annual Meeting, but they will not be treated as entitled to vote on the proposals, if any, for which the broker indicates it does not have discretionary authority.

### **What vote is required to approve each matter to be considered at the Annual Meeting?**

*Election of Directors.* Under Illinois law and the Company's By-laws, Directors must be elected by a majority of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Because the election of Directors requires a majority vote, abstentions will have the same effect as votes against ratification.

*Ratification of Independent Registered Public Accounting Firm.* The affirmative vote of the holders of a majority of the shares represented, in person or by proxy and entitled to vote, will be required for the ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm. Because the vote to ratify the independent registered public accounting firm requires a majority vote, abstentions will have the same effect as votes against ratification.

### **What if other matters come up during the meeting?**

If any matters other than those referred to in the Notice of Annual Meeting properly come before the meeting, the individuals named in the accompanying form of proxy will vote the proxies held by them in accordance with their best judgment. The Company is not aware of any business other than the items referred to in the Notice of Annual Meeting

that may be considered at the meeting.

**Your vote is important.** Because many shareholders cannot personally attend the Annual Meeting, it is necessary that a large number be represented by proxy. Whether or not you plan to attend the meeting in person, prompt voting will be appreciated. Registered shareholders can vote their shares via the Internet or by using a toll-free telephone number. Instructions for using these convenient services are provided on the proxy card. Of course, you may still vote your shares on the proxy card. To do so, we ask that you complete, sign, date and return the enclosed proxy card promptly in the postage-paid envelope.

**Table of Contents**

**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

Prior to the 2006 Annual Meeting of Shareholders, Directors were divided or classified into three classes, which served staggered three-year terms. At the 2006 annual meeting, shareholders approved an amendment to the Company's Articles of Incorporation phasing out the classification of the Board of Directors by the 2008 Annual Meeting of Shareholders. At that time, all Directors will be elected annually.

Currently, the Board of Directors is comprised of 14 Directors. Five of these Directors are serving terms that will expire at the 2008 Annual Meeting of Shareholders. The nine remaining Directors are serving terms that will expire at this year's Annual Meeting. On April 18, 2007, Mr. Reyes, whose term expires at the Annual Meeting, informed the Board of Directors that he will not stand for election at the Annual Meeting. The Company would like to thank Mr. Reyes for his many years of valuable and dedicated service to the Company as a member of our Board.

At its meeting on April 18, 2007, the Board of Directors considered Mr. Reyes' decision and determined that a smaller Board of Directors would be desirable and in the best interests of the Company. At that meeting, the Board of Directors approved an amendment to the Company's By-laws, reducing the number of Directors of the Company to thirteen, effective as of the Annual Meeting.

Consequently, at the Annual Meeting, you will elect eight individuals to serve on the Board of Directors. The Board of Directors, acting pursuant to the recommendation of the Nominating and Corporate Governance Committee, has nominated each Director standing for election. All of the nominees currently serve as Directors. Each nominee has indicated a willingness to serve, and the Board of Directors has no reason to believe that any of the nominees will not be available for election. However, if any of the nominees is not available for election, proxies may be voted for the election of other persons selected by the Board of Directors. Proxies cannot, however, be voted for a greater number of persons than the number of nominees named. Shareholders of the Company have no cumulative voting rights with respect to the election of Directors.

The following sections set forth the names of the Director nominees and continuing Directors, their ages, a brief description of their recent business experience, including present occupation and employment, certain directorships held by each, and the year in which they became Directors of the Company. Director positions in the Company's subsidiaries are included in the biographical information set forth below.

The Company's main operating subsidiaries include Advantage Bank, Barrington Bank, Beverly Bank, Crystal Lake Bank, First Insurance Funding, Guardian Real Estate Services, Hinsdale Bank, Lake Forest Bank, Libertyville Bank, North Shore Bank, Northbrook Bank, Old Plank Trail Community Bank, State Bank of The Lakes, St. Charles Bank, Tricom, Town Bank, Village Bank, Wayne Hummer Asset Management Company, Wayne Hummer Investments, Wayne Hummer Trust Company, WestAmerica Mortgage Company, Wheaton Bank and Wintrust Information Technology Services.

**Nominees to Serve as Directors until the 2008 Annual Meeting of Shareholders**

*Allan E. Bulley, Jr. (74), Director since 2006* – Mr. Bulley is the Chairman and Chief Executive Officer of Bulley & Andrews, whose subsidiary, Bulley & Andrews LLC, is one of Chicago's oldest and largest general contracting firms. Mr. Bulley is the Vice Chairman and a trustee of the Museum of Science and Industry where he chairs the Buildings and Grounds Committee. He also serves as a Director of Trout Unlimited. He has been a director of the L.E. Myers Company (formerly NYSE listed). Since 1968, Mr. Bulley has been involved as an organizer, director and investor in numerous community banks. Mr. Bulley is currently a director of North Shore Bank.

*Bruce K. Crowther (55), Director since 1998* – Mr. Crowther has served as President and Chief Executive Officer of Northwest Community Healthcare, Northwest Community Hospital and certain of its affiliates since January 1992. Prior to that time he served as Executive Vice President and Chief Operating Officer from 1989 to 1991. He is a Fellow of the American College of Healthcare Executives. Mr. Crowther is the past Chairman of the board of directors of the Illinois Hospital Association as well as a member of the board of directors of the Max McGraw Wildlife Foundation. Mr. Crowther is a Director of Barrington Bank.

**Table of Contents**

*Bert A. Getz, Jr. (39), Director since 2001* – Mr. Getz is Co-Chief Executive Officer and Director of Globe Corporation where he has worked since 1991. Globe Corporation is a diversified investment company focused on real estate investment and development, asset management and private equity investments. Founded in 1901, Globe Corporation is currently managed by the fourth generation of Getz family members. Mr. Getz is also a director of HDO, Inc., a national tent rental, lighting and special events firm based in Northbrook, Illinois, IMS Companies, LLC, a diversified manufacturing company headquartered in Elk Grove Village, Illinois and Juniper Content Corporation, a media corporation based in New York with operations in Texas. Additionally, Mr. Getz serves on the Zoning Board of Appeals for the Village of Northfield, is a Trustee of the Brookfield Zoo, a director of Children's Memorial Hospital, and a Trustee of The Lawrenceville School. Mr. Getz serves as a Director of Libertyville Bank, Wayne Hummer Asset Management Company and Wayne Hummer Trust Company.

*James B. McCarthy (55) Director since 1996* – From 1991 to present, Mr. McCarthy has been Chairman and Chief Executive Officer of Gemini Consulting Group, Inc., Oak Brook, Illinois, an international health care company that specializes in the development of domestic and international hospitals and ambulatory surgery centers. Mr. McCarthy also serves on the board of directors of Sirigen, Inc., Santa Barbara, California, a genetic analysis and research company, and Protein Polymer Technologies, Inc., San Diego, California (OTCBB). Mr. McCarthy is a Director of Hinsdale Bank.

*Albin F. Moschner (54), Director since 1996* – Mr. Moschner is currently Executive Vice President and Chief Marketing Officer of Leap Wireless. Prior to joining Leap Wireless, Mr. Moschner was consulting in the telecommunications industry. Mr. Moschner was President of Verizon Card Services from December 2001 to November 2003. Mr. Moschner had been President and Chief Executive Officer, from December 1999 to December 2001, of One Point Services, LLC, a telecommunications company. From September 1997 to November 1999, he served as President and Chief Executive Officer of Millecom, LLC, a development stage internet communications company. From August 1996 to August 1997, he served as Vice Chairman and director and an officer of Diba, Inc., a development stage internet technology company. Mr. Moschner served as President and CEO and a director of Zenith Electronics, Glenview, Illinois, from 1991 to July 1996. Mr. Moschner is also a director of Pella Windows Corporation. Mr. Moschner serves as a Director of Lake Forest Bank.

*Thomas J. Neis (58), Director since 1999* – Mr. Neis is the owner of Neis Insurance Agency, Inc., Longaker Insurance Agency, Pachini Insurance Agency and Parr Insurance Agency and is an independent insurance agent with these companies. Mr. Neis also owns Parr Insurance Brokerage Inc., which markets insurance products to insurance agencies. Mr. Neis serves on the board of directors of Illinois Wesleyan University. He also serves as a chairman of the Crystal Lake Sister City organization and several other charitable and fraternal organizations. Mr. Neis is a Director of Crystal Lake Bank.

*Ingrid S. Stafford (53), Director since 1998* – Ms. Stafford has held various positions since 1977 with Northwestern University, where she is currently Associate Vice President for Financial Operations and Treasurer. Ms. Stafford is a member of the audit committee of the Evangelical Lutheran Church in America, and the Evanston Community Foundation. She is a member of the Investment Advisory Committee of College Illinois, and the investment committees of Wittenberg University, the Evanston McGaw YMCA, and the Evanston Community Foundation. She is the Vice President of the Church Council of Trinity Lutheran Church in Evanston, Illinois. She is an emeritus director of Wittenberg University where she served from 1993 to 2006, including serving as Board Chair from 2001-2005. She has also served as Board Chair of the following community organizations: Childcare Network of Evanston, Leadership Evanston, and the Evanston McGaw YMCA. Ms. Stafford is a Director of North Shore Bank.

*Edward J. Wehmer (53), Director since 1996* – Since May 1998, Mr. Wehmer has served as President and Chief Executive Officer of the Company. Prior to May 1998, he served as President and Chief Operating Officer of the

Company since its formation in 1996. He served as the President of Lake Forest Bank from 1991 to 1998. He serves as a Director or Advisory Director of each of the Company's main operating subsidiaries. Mr. Wehmer is a certified public accountant and earlier in his career spent seven years with the accounting firm of Ernst & Young LLP specializing in the banking field and particularly in the area of bank mergers and acquisitions. Mr. Wehmer serves on the board of directors of Stepan Company (NYSE), a chemical manufacturing and distribution company,

**Table of Contents**

Children's Memorial Foundation and the Boys and Girls Club of Chicago. He is also Chairman of the Board of Trustees for Loyola Academy in Wilmette, Illinois.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR NAMED ABOVE.**

**Continuing Directors Serving until the 2008 Annual Meeting of Shareholders**

*Peter D. Crist (55), Director since 1996* – Mr. Crist is Chairman and Chief Executive Officer of Crist Associates, an executive recruitment firm which focuses on CEO and director searches. From December 1999 to January 2003, Mr. Crist served as Vice Chairman of Korn/Ferry International (NYSE), the largest executive search firm in the world. Previously, he was President of Crist Partners, Ltd., an executive search firm he founded in 1995 and sold to Korn/Ferry International in 1999. Immediately prior thereto he was Co-Head of North America and the Managing Director of the Chicago office of Russell Reynolds Associates, Inc., the largest executive search firm in the Midwest, where he was employed for more than 18 years. Mr. Crist also serves as a director of Northwestern Memorial Hospital. He is a Director of Hinsdale Bank.

*Joseph F. Damico (53), Director since 2005* – Mr. Damico is founding partner and serves as an operating principal of RoundTable Healthcare Partners, an operating-oriented private equity firm focused on the healthcare industry. Mr. Damico has more than 30 years of healthcare industry operating experience, previously as Executive Vice President of Cardinal Health, Inc. and President & COO of Allegiance Corporation. Mr. Damico also held senior management positions at Baxter International Inc. and American Hospital Supply. Mr. Damico is the Chairman of the Board of Ascent Healthcare Solutions, ACI Medical Devices, Inc., American Medical Instruments Holdings, Inc. and Instrumed. He is also a member of the board of directors of Bioniche Pharma, CorePharma Holdings, Inc., Excelsior Medical Inc., the College of Lake County Foundation, James Madison University, Lake Forest Hospital and Manor Care, Inc. Mr. Damico is a Director of Libertyville Bank.

*John S. Lillard (76), Director since 1996* – Mr. Lillard, retired for the past five years, has served as the Company's Chairman since May 1998. He spent more than 15 years as an executive with JMB Institutional Realty Corporation, a real estate investment firm, where he served as President from 1979 to 1991 and as Chairman-Founder from 1992 to 1994. Mr. Lillard was a general partner of Scudder Stevens & Clark until joining JMB in 1979. At Scudder Stevens & Clark he was national marketing director and a member of the board of directors. He is a Life Trustee of the Chicago Symphony Orchestra and a Trustee of Lake Forest College. Mr. Lillard served as a director of Stryker Corporation (NYSE) from 1978-2005 and Cintas Corporation (NASDAQ) from 1978-2000. Mr. Lillard is a Director of Lake Forest Bank, Wayne Hummer Asset Management Company, Wayne Hummer Investments and Wayne Hummer Trust Company.

*Hollis W. Rademacher (71), Director since 1996* – Mr. Rademacher is self-employed as a business consultant and private investor. From 1957 to 1993, Mr. Rademacher held various positions, including Officer in Charge, U.S. Banking Department and Chief Credit Officer of Continental Bank, N.A., Chicago, Illinois, and from 1988 to 1993 held the position of Chief Financial Officer. Mr. Rademacher is a director of Schawk, Inc. (NYSE), provider of prepress graphics for the packaging industry, First Mercury Financial Corp. (NYSE), a holding company for insurance agents, underwriters, advisors and carriers specializing in Excess and Surplus lines, as well as several other private business enterprises. Mr. Rademacher currently serves as a Director of each of the Company's main operating subsidiaries except for Beverly Bank, Guardian Real Estate Services, Old Plank Trail Community Bank, Town Bank, St. Charles Bank, WestAmerica Mortgage Company, Wheaton Bank and Wintrust Information Technology Services.

*John J. Schornack (76), Director since 1996* – Mr. Schornack served as Chairman of Strong Arm Products, LLC from 1999 to 2003. Mr. Schornack is also the former Chairman and CEO of KraftSeal Corporation, Lake Forest, Illinois, a



position he held from 1991 to 1997, and retired Chairman of Binks Sames Corporation (Nasdaq), Chicago, Illinois, where he served from 1996 to 1998. From 1955 to 1991, Mr. Schornack was with Ernst & Young LLP, serving most recently as Vice Chairman and Managing Partner of the Midwest Region. He is a Life Trustee of the Chicago Symphony Orchestra and a Life Trustee of the Kohl Children's Museum. He also is the retired Chairman of the Board of Trustees of Barat College, Lake Forest, Illinois. Mr. Schornack is a Director of North Shore Bank.

**Table of Contents**

**Directors Not Standing for Election**

*J. Christopher Reyes (53), Director since 1996* – Mr. Reyes, Chairman of Reyes Holdings, L.L.C., manages businesses in food and beverage distribution, transportation management and logistics, equipment leasing and real estate activities. Mr. Reyes is a director on the boards of The Allstate Corporation (NYSE) and Tribune Company (NYSE). Mr. Reyes is chairman of Children's Memorial Medical Center and a director of Northwestern Memorial Healthcare, the Museum of Science and Industry, the Lyric Opera of Chicago, the Boys and Girls Clubs of America, United Way of Metropolitan Chicago and Ronald McDonald House Charities. Additionally, Mr. Reyes is on the boards of the Civic Committee of the Commercial Club of Chicago, the Economic Club of Chicago and the Chicago Club. Mr. Reyes is a member of the Mayo Clinic Chicago Leadership Council. He is a member of the Board of Trustees of the University of Notre Dame and Lake Forest Academy and Vice Chair of the Chicago 2016 Olympic Committee. Mr. Reyes is an Honorary Director of Lake Forest Bank.

**BOARD OF DIRECTORS, COMMITTEES AND GOVERNANCE**

**Board of Directors**

The Board provides oversight with respect to our overall performance, strategic direction and key corporate policies. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters. Members of the Board are kept informed of our business by various reports and documents provided to them on a regular basis, including operating and financial reports made at Board and Committee meetings by the Chief Executive Officer and other officers. The Board has five standing committees, the principal responsibilities of which are described below. Additionally, the independent Directors meet in regularly scheduled executive sessions, without management present, at each meeting of the Board.

The Board met six times in 2006. Each member of the Board attended more than 75% of the total number of meetings of the Board and the committees on which he or she served except for Joseph Damico. We encourage, but do not require, our Board members to attend annual meetings of shareholders. All but one of our Board members then in office attended our 2006 Annual Meeting of Shareholders.

***Director Independence***

A director is independent if the Board affirmatively determines that he or she has no material relationship with the Company and otherwise satisfies the independence requirements of the Nasdaq listing standard. A director is independent under the Nasdaq listing standards if the Board affirmatively determines that the director has no material relationship with us directly or as a partner, shareholder or officer of an organization that has a relationship with us. Direct or indirect ownership of even a significant amount of our stock by a Director who is otherwise independent will not, by itself, bar an independence finding as to such director.

The Board has reviewed the independence of our current non-employee Directors and nominees and found that each of them are independent under the Nasdaq listing standards. In determining that Mr. Bulley was independent, the Board considered that he is Chairman and Chief Executive Officer of Bulley & Andrews, which has provided general contracting services to the Company through its subsidiary, Bulley & Andrews LLC. The Board also reviewed the independence of Mr. Paul Liska, who resigned as director in March 2006, and found that he was independent under the Nasdaq listing standards. Accordingly, more than 85% of the members of the Board are independent, including the Chairman of the Board.

***Code of Ethics***

The Board of Directors has adopted a Code of Ethics applicable to all officers, Directors and employees, which is available on the Company's website at [www.wintrust.com](http://www.wintrust.com) by choosing "About Wintrust" and then choosing "Corporate Governance." To assist in enforcement of the Code of Ethics, we maintain Wintrust's Ethicspoint, a toll-free hotline and Internet-based service through which confidential complaints may be made by employees regarding illegal or fraudulent activity; questionable accounting, internal controls or auditing matters; conflicts of interest, dishonest or unethical conduct; disclosures in the Company's reports filed with the Securities and

**Table of Contents**

Exchange Commission ( SEC ), bank regulatory filings and other public disclosures that are not full, fair, accurate, timely or understandable; violations of Wintrust's Code of Ethics; and/or any other violations of laws, rules or regulations. Any complaints submitted through this process are presented to the Audit Committee on a regular, periodic basis.

The following table summarizes the current membership of the Board and each of its committees:

| <b>Board of Directors</b> | <b>Nominating and<br/>Corporate<br/>Governance<br/>Committee</b> | <b>Audit<br/>Committee</b> | <b>Compensation<br/>Committee</b> | <b>Risk<br/>Management<br/>Committee</b> | <b>Executive<br/>Committee</b> |
|---------------------------|--|----------------------------|-----------------------------------|--|--------------------------------|
| Allan E. Bulley, Jr.      | Member   |                            |                                   | Member                                   |                                |
| Peter D. Crist            | Member   |                            | <b>Chair</b>                      |  | Member                         |
| Bruce K. Crowther         |  | Member                     |                                   |  | Member                         |
| Joseph F. Damico          |  |                            | Member                            |  |                                |
| Bert A. Getz, Jr.         | Member   | Member                     |                                   | Member                                   |                                |
| John S. Lillard (Chair)   | Member   |                            | Member                            |  | <b>Chair</b>                   |
| James B. McCarthy         | Member   | Member                     |                                   |  |                                |
| Albin F. Moschner         |  | Member                     | Member                            |  |                                |
| Thomas J. Neis            | Member   |                            |                                   | Member                                   |                                |
| Hollis W. Rademacher      |  |                            | Member                            | <b>Chair</b>                             | Member                         |
| J. Christopher Reyes      | <b>Chair</b>   |                            | Member                            |  | Member                         |
| John J. Schornack         | Member   | <b>Chair</b>               |                                   |  | Member                         |
| Ingrid S. Stafford        |  | Member                     |                                   | Member                                   |                                |
| Edward J. Wehmer          |  |                            |                                   |  | Member                         |

On April 18, 2007 the Board approved new committee assignments for the Directors, effective as of the Annual Meeting. If each of the eight current Directors standing for election is elected, the membership of the Board and each of its committees will be as follows:

| <b>Board of Directors</b> | <b>Nominating and<br/>Corporate<br/>Governance<br/>Committee</b> | <b>Audit<br/>Committee</b> | <b>Compensation<br/>Committee</b> | <b>Risk<br/>Management<br/>Committee</b> | <b>Executive<br/>Committee</b> |
|---------------------------|--|----------------------------|-----------------------------------|--|--------------------------------|
| Allan E. Bulley, Jr.      | Member   |                            |                                   | Member                                   |                                |
| Peter D. Crist            | Member   |                            | <b>Chair</b>                      |  | Member                         |
| Bruce K. Crowther         |  | Member                     |                                   |  |                                |
| Joseph F. Damico          | <b>Chair</b>   |                            | Member                            |  | Member                         |
| Bert A. Getz, Jr.         | Member   | Member                     |                                   | Member                                   |                                |
| John S. Lillard (Chair)   |  |                            | Member                            |  | <b>Chair</b>                   |
| James B. McCarthy         | Member   | Member                     |                                   |  |                                |
| Albin F. Moschner         |  | Member                     | Member                            |  |                                |
| Thomas J. Neis            | Member   |                            |                                   | Member                                   |                                |
| Hollis W. Rademacher      |  |                            | Member                            | <b>Chair</b>                             | Member                         |
| John J. Schornack         | Member   | <b>Chair</b>               |                                   |  | Member                         |

Ingrid S. Stafford  
Edward J. Wehmer

Member

Member

Member

### **Nominating and Corporate Governance Committee**

The Board has established the Nominating and Corporate Governance Committee (the Nominating Committee ) which is responsible for:

establishing criteria for selecting new Directors;

assessing, considering and recruiting candidates to fill positions on the Board;

**Table of Contents**

recommending the director nominees for approval by the Board and the shareholders;

establishing procedures for the regular ongoing reporting by Directors of any developments that may be deemed to affect their independence status;

reviewing the corporate governance principles at least annually and recommending modifications thereto to the Board;

advising the Board with respect to the charters, structure, operations and membership qualifications for the various committees of the Board;

establishing and implementing self-evaluation procedures (including annual director and officer questionnaires) for the Board and its committees; and

reviewing shareholder proposals submitted for inclusion in our Proxy Statement.

The Board has adopted a Nominating Committee Charter, a copy of which is available at [www.wintrust.com](http://www.wintrust.com) by choosing About Wintrust and then choosing Corporate Governance.

The Nominating Committee consists of eight Directors, and the Board has determined that each of them is independent under the Nasdaq listing standards. During 2006, the Nominating Committee met five times.

***Nomination of Directors***

The Nominating Committee seeks nominees from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity and, in doing so, considers a wide range of factors in evaluating the suitability of director candidates, including general understanding of finance and other disciplines relevant to the success of a publicly-traded company in today's business environment, understanding of our business and education and professional background. The following personal characteristics are considered minimum qualifications for Board membership under the corporate governance guidelines approved by the Board: integrity and accountability, the ability to provide informed judgments on a wide range of issues, financial literacy, a history of achievements that reflects high standards for themselves and others, and willingness to raise tough questions in a manner that encourages open discussion. In addition, no person is to be nominated for election to the Board if he or she will attain the age of 76 before such election. Under the corporate governance guidelines adopted by the Board, Directors are expected to maintain a minimum ownership stake in the Company and to limit board service at other companies to no more than four other public company boards.

The Nominating Committee does not have any single method for identifying director candidates but will consider candidates suggested by a wide range of sources.

The Nominating Committee will consider director candidates recommended by our shareholders if such recommendations are timely received. Any such recommendation must comply with the procedures set forth in the Company's By-Laws (see Notification of Shareholder Proposed Business). To be timely under the Company's By-Laws, recommendations must be received in writing at the principal executive offices of the Company, addressed to the Wintrust Financial Corporation Nominating and Corporate Governance Committee, c/o Corporate Secretary, 727 North Bank Lane, Lake Forest, IL 60045, by March 23, 2008. Any such recommendation should include:

the name, address and number of shares of the Company held by the shareholder;

the name and address of the candidate;

the qualifications of such nominee and the reason for such recommendation;

a description of any financial or other relationship between the shareholder and such nominee or between the nominee and the Company or any of its subsidiaries; and

the candidate's signed consent to serve as a director if elected and to be named in the Proxy Statement.

Once the Nominating Committee receives the recommendation, it may request additional information from the candidate about the candidate's independence, qualifications and other information that would assist the

## **Table of Contents**

Nominating Committee in evaluating the candidate, as well as certain information that must be disclosed about the candidate in our Proxy Statement, if nominated. The Nominating Committee will apply the same standards in considering director candidates recommended by shareholders as it applies to other candidates.

The Nominating Committee also evaluates the performance of individual directors and assesses the effectiveness of committees and the Board as a whole.

In 2007, all eight of the director nominees are Directors standing for re-election.

## **Audit Committee**

The Board has established an Audit Committee for the purpose of overseeing our accounting and financial reporting processes and the audits of our financial statements. In addition, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to:

- our compliance with legal and regulatory requirements, including our disclosure controls and procedures;
- the independent registered public accounting firm's qualifications and independence; and
- the performance of our internal audit function and independent registered public accounting firm.

The Board has adopted an Audit Committee Charter, a copy of which is available at [www.wintrust.com](http://www.wintrust.com) by choosing "About Wintrust" and then choosing "Corporate Governance."

The Audit Committee has established a policy to pre-approve all audit and non-audit services provided by the independent registered public accounting firm and all accounting firms. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year. Once pre-approved, the services and pre-approved amounts are monitored against actual charges incurred and modified if appropriate.

To serve on the Audit Committee, Directors must meet financial competency standards and heightened independence standards set forth by the SEC and Nasdaq. In particular, each Audit Committee member:

- must be financially literate;
- must not have received any consulting, advisory, or other compensatory fees from us (other than in his or her capacity as a director);
- must not be our affiliate or the affiliate of any of our subsidiaries; and
- must not serve on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

Furthermore, at least one member of the Audit Committee must be a financial expert.

The Audit Committee consists of six Directors, and the Board has determined that each of them is independent under the Nasdaq listing standards and meets the financial competency and heightened independence standards set forth above. The Board has determined that Mr. Getz, Mr. Moschner, Mr. Schornack and Ms. Stafford qualify as financial



experts. During 2006, the Audit Committee met eight times.

### **Compensation Committee**

The Board has established a Compensation Committee which is responsible for:

establishing the Company's general compensation philosophy and overseeing the development and implementation of compensation programs;

with input from the Board, reviewing and approving corporate goals and objectives relevant to the compensation of the chief executive officer and other management, evaluating the performance of the chief executive officer and other management in light of those goals and objectives, and setting the chief executive officer's and other management's compensation levels based on this evaluation;

## **Table of Contents**

administering and interpreting all salary and incentive compensation plans for officers, management and other key employees;

reviewing senior management compensation;

reviewing management organization, development and succession planning;

taking any actions relating to employee benefit, compensation and fringe benefit plans, programs or policies of the Company;

reviewing and approving severance or similar termination payments to any executive officer of the Company;

preparing reports on executive compensation; and

reporting activities of the Compensation Committee to the Board on a regular basis and reviewing issues with the Board as the Compensation Committee deems appropriate.

The Compensation Committee's authority is set forth in a charter adopted by our Board, a copy of which is available at [www.wintrust.com](http://www.wintrust.com) by choosing "About Wintrust" and then choosing "Corporate Governance".

The Compensation Committee consists of six Directors, and the Board has determined that each of them is independent under the Nasdaq listing standards. During 2006, the Compensation Committee met five times.

## **Risk Management Committee**

The Board has established a Risk Management Committee which is responsible for:

monitoring and overseeing the Company's insurance program, interest rate risk and credit risk exposure on a consolidated basis and at the subsidiaries;

developing and implementing the Company's overall asset/liability management and credit policies;

implementing risk management strategies and considering hedging techniques;

reviewing the Company's capital position, liquidity position, sensitivity of earnings under various interest rate scenarios, the status of its securities portfolio and trends in the economy; and

reporting activities of the Risk Management Committee to the Board on a regular basis and reviewing issues with the Board as the Risk Management Committee deems appropriate.

The Risk Management Committee's authority is set forth in a charter adopted by our Board, a copy of which is available at [www.wintrust.com](http://www.wintrust.com) by choosing "About Wintrust" and then choosing "Corporate Governance".

The Risk Management Committee consists of five Directors, and the Board has determined that each of these Directors has no material relationship with us and is otherwise independent under the Nasdaq listing standards. During 2006, the Risk Management Committee met four times.

## **Executive Committee**

The Board has established an Executive Committee which is authorized to exercise certain powers of the Board, and meets as needed, usually in situations where it is not feasible to take action by the full Board. The Executive Committee's authority is set forth in a charter adopted by our Board.

The Executive Committee consists of seven Directors, and the Board has determined that each of these Directors, except for Mr. Wehmer, is independent under the Nasdaq listing standards. During 2006, the Executive Committee did not meet.

### **Shareholder Communications**

Any shareholder who desires to contact the non-employee Directors or the other members of our Board may do so by writing to: Wintrust Financial Corporation, Board of Directors, c/o the Secretary of the Company, Wintrust

**Table of Contents**

Financial Corporation, 727 North Bank Lane, Lake Forest, Illinois 60045. Copies of written communications received at this address will be provided to the Board, the applicable committee chair or the non-employee Directors as a group unless such communications are considered, in consultation with the non-employee Directors, to be improper for submission to the intended recipient(s). Communications that are intended specifically for non-employee Directors should be addressed to the attention of the Chair of the Nominating Committee. All communications will be forwarded to the Chair of the Nominating Committee unless the communication is specifically addressed to another member of the Board, in which case, the communication will be forwarded to that director. Other interested parties may also use this procedure for communicating with the Board, individual Directors or any group of Directors. Shareholders also may obtain a copy of any of the documents posted to the website free of charge by calling (847) 615-4096 and requesting a copy. Information contained on Wintrust's website is not deemed to be a part of this Proxy Statement.

**EXECUTIVE OFFICERS OF THE COMPANY**

The Company's executive officers are elected annually by the Company's Board of Directors at the first meeting of the Board following the Annual Meeting. Certain information regarding those persons serving as the Company's executive officers is set forth below.

*Edward J. Wehmer* (53) President and Chief Executive Officer Mr. Wehmer serves as the Company's President and performs the functions of the Chief Executive Officer. Accordingly, he is responsible for overseeing the execution of the Company's day-to-day operations and strategic initiatives. See the description above under Election of Directors for additional biographical information.

*David A. Dykstra* (46) Senior Executive Vice President and Chief Operating Officer, Secretary and Treasurer Mr. Dykstra serves as the Company's Chief Operating Officer overseeing all treasury, financial, audit, compliance and human resources affairs of the Company. Since January 2006 Mr. Dykstra has also served as a Regional Market Head overseeing Crystal Lake Bank, State Bank of the Lakes and Tricom. Prior thereto, Mr. Dykstra was employed from 1990 to 1995 by River Forest Bancorp, Inc. (now known as Corus Bankshares, Inc.), Chicago, Illinois, most recently holding the position of Senior Vice President and Chief Financial Officer. Prior to his association with River Forest Bancorp, Mr. Dykstra spent seven years with KPMG LLP, most recently holding the position of Audit Manager in the banking practice. Mr. Dykstra is a Director of Crystal Lake Bank, First Insurance Funding, Old Plank Trail Community Bank, State Bank of the Lakes, Tricom, Wayne Hummer Asset Management Company, Wayne Hummer Investments, Wayne Hummer Trust Company, WestAmerica Mortgage Company and Wintrust Information Technology Services.

*Richard B. Murphy* (47) Executive Vice President and Chief Credit Officer Since January 2002, Mr. Murphy has served as the Company's Chief Credit Officer and is responsible for coordinating all the credit functions of the Company. Since January 2006, Mr. Murphy has served as Regional Market Head overseeing Beverly Bank, Old Plank Trail Community Bank, Town Bank and Wheaton Bank. Mr. Murphy served as the President of Hinsdale Bank from 1996 until December of 2005. From 1993 until his promotion to President of Hinsdale Bank, Mr. Murphy served as the Executive Vice President and Senior Lender of Hinsdale Bank. Prior to his association with the Company, Mr. Murphy served as President of the First State Bank of Calumet City. Mr. Murphy is a Director of Beverly Bank, Hinsdale Bank, Old Plank Trail Community Bank, St. Charles Bank, Town Bank, Wheaton Bank, and Wintrust Information Technology Services. Mr. Murphy is married to the sister of Mr. Wehmer's wife.

*James H. Bishop* (63) Executive Vice President Regional Market Head Since January 2006, Mr. Bishop has served as a Regional Market Head overseeing Advantage Bank, Barrington Bank and Village Bank. Mr. Bishop originally joined the Company in 1996 and served as the Chief Executive Officer of Barrington Bank until February 2003. Prior to his association with the Company, Mr. Bishop served as a Senior Vice President of First Chicago/NBD and was a

Regional Manager for that organization's suburban locations in the North and Northwest suburbs of Chicago. Mr. Bishop is a Director of Advantage Bank, Barrington Bank, Village Bank, and Wintrust Information Technology Services.

**Table of Contents**

*Randolph M. Hibben* (49) Executive Vice President Regional Market Head Since January 2006, Mr. Hibben has served as a Regional Market Head overseeing Lake Forest Bank, North Shore Bank and Northbrook Bank. Mr. Hibben also is the Chairman and Chief Executive Officer of Lake Forest Bank, the Vice Chairman of North Shore Bank and the Vice Chairman of Northbrook Bank. Mr. Hibben joined the Company in 1991 as an Executive Vice President of Lake Forest Bank. Prior thereto, Mr. Hibben was employed from 1987 to 1991 in a similar capacity by River Forest Bancorp, Inc. (now known as Corus Bankshares, Inc.), Chicago, Illinois, most recently holding the position of Vice President-Investments. Mr. Hibben is a Director of Lake Forest Bank, North Shore Bank, Northbrook Bank, and Wintrust Information Technology Services.

*Robert F. Key* (52) Executive Vice President Marketing Mr. Key serves as the Executive Vice President Marketing for the Company and directs all advertising and marketing programs for each of the subsidiary banks, Wayne Hummer Investments, Wayne Hummer Asset Management Company and Wayne Hummer Trust Company. Mr. Key joined the Company in March 1996 to serve as Executive Vice President of Marketing. From 1978 through March 1996, Mr. Key was a Vice President/Account Director at Leo Burnett Company. Mr. Key also serves as a Trustee of Woodlands Academy. Mr. Key is a Director of Wintrust Information Technology Services.

*David L. Stoehr* (47) Executive Vice President and Chief Financial Officer Mr. Stoehr joined the Company in January 2002 and manages all financial and accounting affairs of the Company, including internal and external financial reporting. Previously, Mr. Stoehr was Senior Vice President/Reporting & Analysis at Firststar/U.S. Bancorp, Director of Finance/Controller of Associated Banc-Corp with primary responsibility for financial accounting and reporting, business unit financial management and data warehouse design and implementation. Prior to his association with Associated Banc-Corp, Mr. Stoehr was Assistant Vice President/Balance Sheet Management at Huntington Bancshares, Inc., Columbus, Ohio, from 1993 to 1995 and Financial Reporting Officer at Valley Bancorporation, Appleton, Wisconsin, from 1983 to 1993. Mr. Stoehr is a Director of Beverly Bank, Old Plank Trail Community Bank and Wintrust Information Technology Services.

*John S. Fleshood* (44) Executive Vice President Risk Management Mr. Fleshood joined the Company in August 2005 and manages the overall risk management process for the Company including audit, compliance and business continuity, and information security functions. Since January 2006, Mr. Fleshood has served as a Regional Market Head overseeing St. Charles Bank and WestAmerica Mortgage Company. Previously, Mr. Fleshood served as Senior Vice President and Chief Financial Officer of the Chicago affiliate of Fifth Third Bank, an Ohio banking corporation, a commercial bank offering a full range of banking services to consumer, business and financial customers, from July 2001 to August 2005. Prior to that, Mr. Fleshood served as Vice President and Manager of the Treasury Division of Fifth Third Bank, Cincinnati, Ohio. Fleshood is a Director of WestAmerica Mortgage Company, St. Charles Bank and Wintrust Information Technology Services.

*Lloyd M. Bowden* (53) Executive Vice President Technology Mr. Bowden serves as Executive Vice President Technology for the Company and as President of Wintrust Information Technology Services. He is responsible for planning, implementing and maintaining all aspects of the subsidiary banks internal data processing systems and technology designed to service the subsidiary banks customer base. Mr. Bowden joined the Company in April 1996 to serve as the Director of Technology with responsibility for implementing technological improvements to enhance customer service capabilities and operational efficiencies. Prior thereto, he was employed by Electronic Data Systems, Inc. in various capacities since 1982, most recently in an executive management position with the Banking Services Division and previously in the Banking Group of the Management Consulting Division. Mr. Bowden is a Director of Wintrust Information Technology Services.

*Thomas P. Zidar* (38) Executive Vice President Wealth Management. Mr. Zidar serves as Executive Vice President, Wealth Management, and Chairman and CEO of the Wayne Hummer companies. From 1997 until January 2006,

Mr. Zidar held several positions with increasing responsibility at ABN AMRO/LaSalle Bank Corporation. In January 2004, Mr. Zidar became an Executive Vice President in the Personal Finance Services group of LaSalle Bank Corporation and, in September of 2005, he was elected Chairman of LaSalle Financial Services. In his most recent position with the Personal Finance Service group, Mr. Zidar headed five different business units including: investments and insurance, business banking, retail mortgage, workplace banking and pilot branches. From January 2002 until May 2005, Mr. Zidar served as President and Chief Executive Officer of

## **Table of Contents**

ABN AMRO Financial Services in Chicago, Illinois and Troy, Michigan. While serving in that position, Mr. Zidar managed the U.S. retail investment and insurance businesses for ABN AMRO, LaSalle Bank and Standard Federal Bank. Mr. Zidar held previous positions in the management consulting and investment banking fields with A.T. Kearney and The Transportation Group, respectively. Mr. Zidar is a Director of Wayne Hummer Investments, Wayne Hummer Asset Management, Wayne Hummer Trust Company and Wintrust Information Technology Services.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

This section provides information regarding the compensation program in place for our named executive officers ( NEOs ), consisting of our principal executive officer, principal financial officer and the three most highly-compensated executive officers other than the principal executive officer and principal financial officer for 2006. It includes information regarding, among other things, the overall objectives of our compensation program and each element of compensation that we provide.

#### **Overview of Compensation Program**

The Compensation Committee of our Board of Directors (the Committee ) has responsibility for developing, implementing and monitoring adherence with the Company s compensation philosophy, including compensation of our NEOs. In doing so, the Committee is mindful of our unique structure, culture and history as well as the growth focus of our Company and its business. As a holding company that conducts its operations through our subsidiaries, we are focused on providing entrepreneurial-based compensation to the chief executives of each our business units. As a Company with start-up and growth oriented operations, we are cognizant that to attract and retain the managerial talent necessary to operate and grow our businesses we often have to compensate our executives with a view to the business we expect them to manage, rather than the size of the business they currently manage.

The Company s strategy has been to pay executives very competitive salaries in an effort to attract and retain highly-qualified and well-experienced individuals which, given the relatively young history of the Company, currently may be higher than those paid by comparably sized financial institutions. However, as the Company continues to mature, the Committee believes that increases to total compensation should be increasingly more heavily weighted toward bonus and stock incentive components than base salary. This philosophy is intended to create and foster a pay-for-performance framework that drives shareholder value by aligning shareholder and NEO interests.

#### **Setting Executive Compensation**

##### ***Overview***

The Committee sets the compensation for all of our executive officers, including our NEOs. The Committee also exercises the authority of the Board with respect to the Company s employee benefit plans. The Committee has determined not to engage a third party human resources consulting firm in connection with setting executive compensation. Rather, the chair of the Committee, who has significant experience in executive compensation, compiles relevant market data for the Committee s review. This market data includes a sampling of peer companies that consist of other mid-sized banking companies, other banking companies located in Illinois and other financial services companies. While the Committee uses this peer data in setting and evaluating our executive compensation, in light of our unique de-centralized structure and growth and entrepreneurial focus, it is difficult to construct a true peer group.

##### ***Role of Management***



The Committee makes all compensation decisions for our executive officers. Our chief executive officer and chief operating officer annually review the performance of each of the Company's and its subsidiaries' officers (other than the chief operating officer, whose performance is reviewed by the chief executive officer acting alone, and the chief executive officer, whose performance is reviewed by the Committee). The conclusions reached and the

## **Table of Contents**

recommendations based on these reviews, including with respect to salary adjustments and award amounts, are presented to the Committee. The Committee exercises its discretion in modifying any recommended adjustment or award.

### ***Market Analysis***

The Committee reviews the market data compiled by the chair of the Committee in setting executive compensation. The Committee does not set compensation at a predetermined percentile of the peer group reviewed, but rather uses this market data to ensure that the compensation being offered to executive officers is competitive in the marketplace. The Committee also uses this market data to ensure that the compensation being paid by the Company is not outside of the peer ranges. The Committee believes that using market data as a check on its compensation determinations rather than a starting point in setting compensation results in compensation determinations that are set based on the Company's unique structure and history while remaining within market norms.

### ***Committee Process***

As discussed above, the Committee continually reviews both the Company's compensation philosophy and the actual compensation being paid by the Company. The Committee meets, including in executive sessions without any members of management present, to discuss, evaluate and set executive officer compensation.

In setting compensation for each of the NEOs, the Committee reviews the total annual compensation received by each executive officer, including base salary, cash bonuses, long-term incentives, perquisites and post-employment obligations in establishing each element of compensation. The Committee acts pursuant to a written charter that has been approved by our Board.

### **Compensation Philosophy and Objectives**

The Committee has designed the Company's compensation program to promote a pay-for-performance philosophy and to be competitive with market practices in order to retain and attract talented executives who can contribute to our long-term success and build value for our shareholders. Accordingly, the Committee strives to create a compensation package for each NEO that is competitive as well as reflective of the performance of both the Company and the individual officer. The Committee recognizes that certain elements of compensation are better suited to reflect different compensation objectives. For example, as base salaries are the only element of compensation that is fixed in amount in advance of the year in which the compensation will be earned, the Committee believes that it is most appropriate to determine base salaries with a focus on the market practices for similarly situated officers at comparable companies as adjusted to reflect the individual officer's performance during the preceding year. The aspects of individual performance that are evaluated for base salary purposes include non-financial measures such as integrity, quality, leadership, customer satisfaction, innovation, and talent management. In contrast, cash bonuses and long-term incentives are better able to reflect the Company's performance as measured by financial measures such as earnings per share, deposit growth, loan growth and net interest margin. In addition, cash bonuses and long-term performance measures are also well suited to aid in our goal of retaining executives and also to motivate officers to increase shareholder value. The other elements of compensation are set primarily based on market practices and are driven by the Committee's philosophy that personal benefits including retirement and health and welfare benefits should be available to all employees on a non-discriminatory basis.

Our compensation program is organized around four fundamental principles:

*Our Compensation Program Must Allow us to Attract First-Rate Entrepreneurial Talent that Reflects our Structure.* As a result of our holding company structure and the fact that the Company is in a growth stage, our

compensation program takes into consideration the fact that to attract and retain executive officers, whether at the Company or at one of our subsidiaries, talented enough to enable the Company to meet its long-term goals, we must compensate such executive officers based on the size and potential enterprise that we expect such officer to oversee in the future.

*A Substantial Portion of NEO Compensation Should Be Performance-Based.* Our compensation program is designed to reward superior performance. It accomplishes this in a number of ways. In terms of cash compensation,

## **Table of Contents**

executives may earn annual cash bonuses upon a pay-for-performance philosophy based upon the attainment of certain specific Company and individual objectives, which are typically set by the Committee, based on recommendations by management, at the beginning of a fiscal year. Whether and to what extent cash bonuses are paid depends on the individual executive's achievements for such year, the achievements of the applicable banking unit or units, as well as the Company's overall performance. In terms of equity compensation, a substantial portion of total compensation is, as discussed below, delivered in the form of equity awards based on performance, and the Committee may determine to pay a portion or all of an executive's annual bonus in the form of restricted stock or options rather than in cash. As is the case with cash for cash bonuses, equity-based bonuses are determined based upon the attainment of Company specific and individual objectives set by the Committee, with consultation from management, at the beginning of a fiscal year.

*A Substantial Portion of NEO Compensation Should Be Delivered in the Form of Equity Awards.* To align the interests of our NEOs with the interests of our shareholders, the Committee believes that a substantial portion of total compensation should be delivered in the form of equity. In 2006, equity compensation was delivered to certain of our NEOs in the form of restricted stock and stock options that, in each case, vest based on the passage of time, thereby encouraging retention of our NEOs while incentivizing our NEOs to drive long-term shareholder value. The number of equity awards granted is based on each executive's performance. The Committee strives to pay approximately one-half of bonus compensation in cash and one-half in equity. One challenge the Company faces is that we have a limited supply of equity awards that we may grant, which may not be sufficient to meet our compensation objectives during periods of continued growth.

*Our Compensation Program for NEOs Should Be Fair, and Perceived as Such, Both Internally and Externally.* The Committee strives to create a compensation program that will be perceived as fair, both internally and externally. It accomplishes this by comparing the compensation that is provided to our NEOs to comparative group of companies identified by the Committee's chair as a means to measure external fairness and to other senior employees of the Company, as a means to measure internal fairness. Shareholders are best served when we can attract and retain talented executives with compensation packages that are competitive but fair. The markets in which the Company operates are very competitive and there is real risk of losing talented executives if our compensation is not competitive.

## **The Elements of Our Compensation Program**

This section describes the various elements of our compensation program for NEOs, together with a discussion of various matters relating to those items, including why the Committee chooses to include the items in the compensation program. The principal components of compensation for our NEOs were:

- cash compensation consisting of base salary and cash bonus;
- equity compensation; and
- perquisites and other personal benefits.

### ***Cash Compensation***

Cash compensation is paid in the form of salary or bonuses.

***Salary.*** The Company provides NEOs with base salary to compensate them for services rendered during the fiscal year. Base salary for NEOs for any given year is generally fixed by the Committee at its meeting in January. Increases or decreases in base salary on a year-over-year basis are dependent on the Committee's assessment of the Company

and individual performance. The Committee is free to set NEO salary at any level it deems appropriate. In addition, the Committee considers market data, internal pay equity and merit history in evaluating merit recommendations. As part of this process, the Committee solicits the recommendations of the CEO with respect to NEOs (other than the CEO).

In 2006 and 2007, after taking into account the market data and other factors described above, the Committee approved the following merit-based and cost of living adjustment salary increases for our NEOs set forth under the

**Table of Contents**

heading 2006 Base Salary Merit Increase Percentage and 2007 Base Salary Merit Increase Percentage, respectively:

| Named Executive Officer                                      | 2006 Base Salary Merit<br>Increase Percentage | 2007 Base Salary<br>Merit<br>Increase Percentage |
|--|---|--|
| Edward Wehmer,<br>Chairman & CEO                             | 3.85%   | 3.70%  |
| David Dykstra,<br>Chief Operating Officer                    | 6.64%   | 4.08%  |
| David Stoehr,<br>Chief Financial Officer                     | 11.11%  | 9.52%  |
| Richard Murphy,<br>Chief Credit Officer                      | 5.91%   | 4.09%  |
| Randolph Hibben,<br>Executive Vice<br>President- Market Head | 5.77%   | 5.45%  |

**Bonus.** The Company may award discretionary cash bonuses to executives, although the Company does not maintain a defined cash bonus plan. Cash bonuses are intended to provide officers with an opportunity to receive additional cash compensation through the achievement of specified Company, subsidiary and individual performance goals. Performance-based cash bonuses are included in the package because they permit the Committee to incentivize our NEOs, in any particular year, to pursue particular objectives that the Committee believes are consistent with the overall goals and strategic direction that the Board has set for the Company.

The total targeted bonus that is provided to each NEO in a given year is generally determined by reference to the NEO's base salary for that year. That is, each year the Committee approves a targeted bonus award for each NEO with a cash value that is determined by multiplying the NEO's base salary by a percentage that is chosen by the Committee. For 2006, that percentage was 40%. In determining the amount of target bonuses, the Committee considers several factors, including:

- (i) the target bonuses set, and actual bonuses paid, in recent years;
- (ii) the desire to ensure, as described above, that a substantial portion of total compensation is performance-based; and
- (iii) the relative importance, in any given year, of the long and short-term performance goals of the Company.

After determining the total targeted bonus percentage for a year, the Committee allocates the potential bonus award between Company-level, subsidiary-level and personal objectives, as well as retaining a small discretionary factor. Company and subsidiary-level objectives including targeted net income, deposit growth, loan growth, net interest margin, credit quality, net overhead ratios and personally tailored objectives for each NEO. These performance objectives for bonuses (both cash and equity), are developed through an iterative process. Based on a review of business plans, management, including the NEOs, develops preliminary recommendations for Committee review. The Committee reviews management's preliminary recommendations and establishes final goals. The Committee strives to ensure that the objectives are consistent with the strategic goals set by the Board, that the goals set are sufficiently ambitious so as to provide a meaningful incentive and that bonus payments, assuming target levels of performance are attained, will be consistent with the overall NEO compensation program established by the Committee.

For fiscal 2006, other than in the case of Mr. Hibben, 57.5% of the NEO bonus award was based upon the achievement of Company-level financial objectives, 32.5% of the NEO bonus award was based upon the achievement of personal objectives and 10% of such award was discretionary. In the case of Mr. Hibben, 40% of his bonus award was based upon the achievement of financial objectives at Lake Forest Bank, 27.5% of such award was based upon the achievement of Company-level financial objectives, 22.5% of his bonus award was based upon the achievement of personal objectives and 10% of his award was discretionary. In 2006, the predetermined

## **Table of Contents**

Company-level objectives were not met and, as a result, no bonus was paid in respect of the Company-level bonus component.

The Committee uses the measurable objectives described above as a guideline to establish actual bonuses relative to the targeted percentage bonus, but the end determination is ultimately a discretionary decision and, if the Committee deems it appropriate, higher or lower bonuses may be paid to an executive than targeted. The Committee reserves the discretion to reduce or not pay cash bonuses even if the relevant performance targets are met. The Committee exercised this discretion in 2006 and did not pay cash bonuses to either of Messrs. Wehmer or Dykstra.

The Committee evaluates cash bonus amounts in conjunction with stock incentive awards to ensure a balance of cash and equity compensation. In making that assessment, the Committee considers factors such as the relative merits of cash and equity as a device for retaining and incentivizing NEOs and the practices of the other companies in the group selected by the Committee chair. The Committee strives to equally balance cash and equity bonuses. However, in 2006, the Company weighted bonus compensation more heavily on equity compensation (56% to 44%) because the Committee believes doing so best aligns shareholders and management and emphasizes longer-term Company goals. The Committee also has the discretion to individually vary the mix of cash and equity awards and used such discretion in 2006 by granting Mr. Hibben a bonus comprised entirely of stock.

### ***Equity Compensation***

As described above, the Committee believes that a substantial portion of each NEO's compensation should be in the form of equity awards. Also as described above, we pay a substantial portion of NEO compensation in the form of equity awards because the Committee believes that such awards serve to align the interests of NEOs and our shareholders. Equity awards to our NEOs in regard to their 2006 performance were primarily made pursuant to our 2007 Stock Incentive Plan (the "2007 Plan"), which was approved by our shareholders on January 9, 2007, but a limited number of awards were made under our 1997 Stock Incentive Plan (the "1997 Plan" and together with the 2007 Plan, the "Incentive Plans"). Although no additional awards will be granted under the 1997 Plan, awards granted under the 1997 Plan will continue to be governed by the 1997 Plan. The Incentive Plans provide for awards in the form of, among others, stock options, restricted stock and restricted stock units. The mix between these forms of awards changes from year to year as determined by the Committee. In 2006, NEOs generally received 100% of the total value of their equity awards in restricted stock units that vested solely on the basis of the passage of time.

As discussed above under "Cash Compensation - Bonus," the Committee establishes a target percentage of base salary to be paid in a given year as a mixed cash and equity bonus. For 2006 this targeted percentage was 40% of salary. The Committee also targeted to make equity awards to the NEOs that had a cash value equal to approximately 22% of cash compensation (including bonus opportunities, assuming performance at target levels). After assessing actual Company-level, subsidiary-level and individual performance and results against the pre-established targets and objectives, the Committee determined the actual total bonus to be received and the cash and equity components of such total bonus. See "Cash Compensation - Bonus" above for further information on the establishment of targets and objectives and the bonus determination process.

The Committee believes that its current compensation program for NEOs strikes the correct balance between cash and equity compensation. The mix of equity and cash compensation gives our NEOs a substantial alignment with shareholders, while also permitting the Committee to incentivize the NEOs to pursue specific short and long-term performance goals.

A description of the form of equity awards that were made in 2006 under the Incentive Plans follows:



Stock Options. Stock options granted under the Incentive Plans may vest on the basis of the satisfaction of performance conditions established by the Committee or on the basis of the passage of time and continued employment. Under the 2007 Plan, except in limited circumstances, no stock option may become fully exercisable until the third anniversary of the award and, to the extent that such an award provides for vesting in installments, such vesting shall occur ratably on each of the first three anniversaries of the grant date. The Committee has also granted options that vest based on the passage of time over a five-year period, with 20% becoming exercisable on each anniversary of the grant date. Options granted under the 2007 Plan have a seven-year term and options granted under the 1997 Plan have a ten-year term. All options are granted with an exercise price equal to the fair market

## **Table of Contents**

value of our common stock on the date of grant, and option re-pricing is expressly prohibited by the 2007 Plan terms.

***Restricted Stock Units.*** Restricted stock units ( RSUs ) convert into shares of our common stock if the recipient is still employed by us on the date that specified restrictions lapse. Restricted stock units granted under the Incentive Plans may vest on the basis of the satisfaction of performance conditions established by the Committee or on the basis of the passage of time and continued employment. The Committee has granted RSUs that vest on the basis of the passage of time and continued employment with vesting periods ranging up to five years. Recipients of RSUs may not vote the units in shareholder votes, but once their RSUs vest, they do receive payments equal to the amount of dividends that would be paid on an equivalent number of shares of common stock.

### ***Perquisites***

Our NEOs receive various perquisites provided by or paid for by us that we believe are reasonable, competitive and consistent with the Company's overall compensation philosophy. In 2006, these perquisites included: car allowances or Company-owned automobiles, club dues, life insurance, supplemental long-term disability and memberships.

We provide these perquisites because many companies in the peer group provide such perquisites to their named executive officers and it is therefore necessary for retention and recruitment purposes that we do the same.

The Committee reviews the perquisites provided to its NEOs on a regular basis, in an attempt to ensure that they continue to be appropriate in light of the Committee's overall goal of designing a compensation program for NEOs that maximizes the interests of our shareholders. Attributed costs of the personal benefits described above for the NEOs for the fiscal year ended December 31, 2006 are included in column (h) of the Summary Compensation Table below.

### ***Post-Termination Compensation***

We have entered into employment agreements with certain members of our senior management team, including the NEOs, which provide for post-termination compensation. These agreements provide for payments and other benefits if the officer's employment terminates for a qualifying event or circumstance, such as being terminated without Cause or leaving employment for Constructive Termination, as these terms are defined in the employment agreements. Additionally, the employment agreements provide for the payment of severance upon a Change-in-Control (as defined in the agreements) of the Company. Additional information regarding the employment agreements, including a definition of key terms and a quantification of benefits that would have been received by our NEOs had termination occurred on December 31, 2006, is found under the heading Potential Payments upon Termination or Change-in-Control on page 25 of this Proxy Statement.

The Committee believes that these employment arrangements are an important part of overall compensation for our NEOs and will help to secure the continued employment and dedication of our NEOs, notwithstanding any concern that they might have at such time regarding their own continued employment, prior to or following a change in control. The Committee also believes that these agreements are important as a recruitment and retention device, as all or nearly all of the companies with which we compete for executive talent have similar agreements in place for their senior employees.

## **Our Compensation Policies**

### ***Impact of Section 162(m)***

Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to the certain covered employees. The covered employees

generally consist of a company's chief executive officer or other NEOs. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation. During the course of its evaluation of compensation paid to NEOs and certain other covered employees, the Company takes into account Section 162(m) considerations and the impact thereof.

**Table of Contents**

***Practices Regarding the Grant of Options***

The Company has followed a practice of making a majority of all option grants to its NEOs on a single date each year and intends to have a practice of generally making all option grants to its NEOs on a single date each year, its regularly scheduled meeting in January. The January meeting date has historically occurred within two weeks following the issuance of the release reporting our earnings for the previous fiscal year. The Committee believes that it is appropriate that annual awards be made at a time when material information regarding our performance for the preceding year has been disclosed. The Company does not otherwise have any program, plan or practice to time annual option grants to its executives in coordination with the release of material non-public information.

While the bulk of our option awards to NEOs have historically been made pursuant to our annual grant program, the Committee retains the discretion to make additional awards to NEOs at other times, in connection with the initial hiring of a new officer, for retention purposes or otherwise. We refer to such grants as ad hoc awards. The Company does not have any program, plan or practice to time ad hoc awards in coordination with the release of material non-public information.

All equity awards made to our NEOs, or any of our other employees or Directors (except for payment of director fees under the Company's Directors Deferred Fee and Stock Plan), are made pursuant to our Incentive Plans. As noted above, all options under the Incentive Plans are granted with an exercise price equal to the fair market value of our common stock on the date of grant. Fair market value is defined under the Incentive Plans to be the average of the highest and the lowest quoted selling prices on the Nasdaq National Market on the relevant valuation date or, if there were no sales on the valuation date, on the next preceding date on which such selling prices were recorded on the date of grant. We do not have any program, plan or practice of awarding options and setting the exercise price based on the stock's price on a date other than the grant date. We do not have a practice of determining the exercise price of option grants by using average prices (or lowest prices) of our common stock in a period preceding, surrounding or following the grant date. While the Incentive Plans permit delegation of the Committee's authority to grant options in certain circumstances, all grants to NEOs are made by the Committee itself and not pursuant to delegated authority.

***Prohibition on Hedging and Short Selling***

The Company's executive officers and directors are prohibited from engaging in selling short our common stock or engaging in hedging or offsetting transactions regarding our common stock.

***Stock Ownership Policy***

Part of our compensation philosophy involves common share ownership by our executive officers because we believe that it helps align their financial interests with those of our shareholders. While we do strongly encourage our executive officers to acquire and own our common shares, we have not adopted a formal written policy on share ownership requirements of our executive officers. We have, however, adopted share ownership guidelines for members of our Board to own, within three years of becoming a director, shares having a value of at least three times the annual retainer fee paid to directors. Each of our Directors is currently in compliance with these share ownership guidelines.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors of Wintrust Financial Corporation oversees Wintrust Financial Corporation's compensation program on behalf of the Board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth in this Proxy Statement.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and the Company's Proxy Statement to be filed in connection with the Company's 2007 Annual Meeting of Shareholders, each of which will be filed with the Securities and Exchange Commission.

**COMPENSATION COMMITTEE**

PETER D. CRIST (Chairman)  
JOSEPH F. DAMICO  
JOHN S. LILLARD

ALBIN F. MOSCHNER  
HOLLIS W. RADEMACHER  
J. CHRISTOPHER REYES

**Table of Contents****2006 SUMMARY COMPENSATION TABLE**

The following table summarizes compensation awarded to, earned by or paid to our NEOs for 2006. The section of this Proxy Statement entitled "Compensation Discussion and Analysis" describes in greater detail the information reported in this table and the objectives and factors considered in setting NEO compensation.

| Name and Principal Position (a)   | Year (b) | Salary (\$)(c) | Bonus (\$)(d) | Stock Awards (\$)(1)(e) | Option Awards (\$)(2)(f) | Non-Equity Incentive Plan Compensation (\$)(g) | All Other Compensation (\$)(3)(h) | Total (\$)(i) |
|---|----------|----------------|---------------|-------------------------|--------------------------|--|-----------------------------------|---------------|
|   |          |                |               |                         |                          |  |                                   |               |
| Edward J. Wehmer<br>President & Chief Executive Officer                       | 2006     | 672,917        |               | 1,319,110(4)            | 412,502                  |  | 26,495                            | 2,431,024     |
| David A. Dykstra<br>Senior Executive Vice President & Chief Operating Officer | 2006     | 486,667        |               | 1,009,569(4)            | 307,661                  |  | 16,080                            | 1,819,977     |
| David L. Stoehr<br>Executive Vice President & Chief Financial Officer         | 2006     | 208,333        | 24,200        | 99,906                  | 43,860                   |  | 11,069                            | 363,168       |
| Richard B. Murphy<br>Executive Vice President & Chief Credit Officer          | 2006     | 267,750        | 20,000        | 144,941                 | 146,254                  |  | 2,370                             | 561,315       |
| Randolph M. Hibben<br>Executive Vice President<br>Market Head                 | 2006     | 273,750        |               | 168,009                 | 159,229                  |  | 14,477                            | 615,465       |

(1) The amounts shown in this column constitute restricted stock units granted under the 1997 Plan and 2007 Plan. The amounts equal the financial statement compensation cost for Stock Awards as reported in our 2006 consolidated statement of income for fiscal year 2006 and are valued based on the aggregate grant date fair value of the award determined pursuant to Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (which we refer to as FAS 123R). See Note 18 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2006 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. For further information on these awards, see the Grants of Plan-Based Awards table beginning on page 23 of this Proxy Statement.

(2)

The amounts shown in this column constitute options granted under the 1997 Plan and 2007 Plan. The amounts equal the financial statement compensation cost for Stock Awards as reported in our consolidated statement of income for fiscal year 2006 and are valued based on the aggregate grant date fair value of the award determined pursuant to FAS 123R. See Note 18 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2006 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. For further information on these awards, see the Grants of Plan-Based Awards table beginning on page 23 of this Proxy Statement.

- (3) Amounts in this column include the value of the following perquisites paid to the NEOs in 2006. Perquisites are valued at actual amounts paid to each provider of such perquisites.

**Table of Contents**

| Named Executive Officer | Corporate  | Club         | Life      |              | Total  |
|-------------------------|------------|--------------|-----------|--------------|--------|
|                         | Automobile | Memberships  | Insurance | Supplemental |        |
|                         | Usage      | Not          | Premiums  | Long-Term    |        |
|                         | (\$)       | Exclusively  | (\$)      | Disability   |        |
|                         |            | For Business |           |              |        |
|                         |            | Use          |           |              |        |
|                         |            | (\$)         |           |              |        |
| Edward J. Wehmer        | 8,104      | 14,551       | 2,416     | 1,424        | 26,495 |
| David A. Dykstra        | 14,921     |              | 1,159     |              | 16,080 |
| David L. Stoehr         | 7,209      | 3,240        | 620       |              | 11,069 |
| Richard B. Murphy       | 631        | 923          | 766       |              | 2,370  |
| Randolph M. Hibben      | 12,000     | 1,632        | 845       |              | 14,477 |

- (4) Entire amount reflects the compensation cost for stock awards as reported in the Company's 2006 consolidated financial statements in accordance with FAS 123R for shares granted relating to performance prior to 2006. Messrs. Wehmer and Dykstra did not receive stock awards relating to performance for the 2006 calendar year.

**GRANTS OF PLAN-BASED AWARDS**

| Name              | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards |         |         | Estimated Future Payouts Under Equity Incentive Plan Awards |        |         | All Other Stock Awards | All Other Option Awards | Grant Date Fair Value of Stock and Option |           |
|-------------------|------------|---|---------|---------|---|--------|---------|------------------------|-------------------------|---|-----------|
|                   |            | Threshold   | Target  | Maximum | Threshold   | Target | Maximum | Number of              | Number of               | Base Price of                             |           |
| (a)               | (1)(b)     | (\$)(c)   | (\$)(d) | (\$)(e) | (#)(f)  | (#)(g) | (#)(h)  | (2)(#)(i)              | (#)(j)                  | (k)                                       | (3)(l)    |
| Edward J. Wehmer  | 1/26/06    |   |         |         |   |        |         | 4,761                  |                         |   | 250,000   |
|                   | 1/26/06    |   |         |         |   |        |         | 5,000                  |                         |   | 262,550   |
| David A. Dykstra  | 1/26/06    |   |         |         |   |        |         | 3,809                  |                         |   | 200,011   |
|                   | 1/26/06    |   |         |         |   |        |         | 35,000                 |                         |   | 1,837,850 |
| David L. Stoehr   | 1/26/06    |   |         |         |   |        |         | 1,500                  |                         |   | 78,765    |
|                   | 1/26/06    |   |         |         |   |        |         | 1,257                  |                         |   | 66,005    |
| Richard B. Murphy | 1/26/06    |   |         |         |   |        |         | 1,739                  |                         |   | 91,315    |
|                   | 1/26/06    |   |         |         |   |        |         | 1,634                  |                         |   | 85,801    |



Randolph M.  
Hibben

12/27/06

1,351

65,024

- (1) In each case, the Grant Date reflects the date on which the Compensation Committee acted to approve the grant of the award. All awards were made under the Company's 1997 Incentive Plan.
- (2) This column shows the number of restricted stock units granted to the named executive officers in 2006.
- (3) The value of the awards (which in 2006 are all restricted stock units awards) represents the average of the high and low sale prices of the Company's common stock on the date of grant, as reported by Nasdaq, multiplied by the number of restricted stock units granted to the named executive officers.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

The following table sets forth information for each named executive officer with respect to (1) each stock option to purchase common shares that has not been exercised and remained outstanding at December 31, 2006 and (2) each award of restricted stock units that has not vested and remained outstanding at December 31, 2006.

| Name<br>(a)         | Option Awards (1)   |  |  |                                  | Stock Awards(1)           |   |   |  |  |
|---------------------|---|--|--|----------------------------------|---------------------------|---|---|--|--|
|                     | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#)<br>(2)(b) | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#)<br>(c) | Equity<br>Incentive<br>Plan<br>Awards:<br>Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#)<br>(d) | Exercise<br>Price<br>(\$)<br>(e) | Expiration<br>Date<br>(f) | Number<br>of<br>Shares<br>or<br>Units of<br>Stock<br>That<br>Have<br>Not<br>Vested<br>(#)(3)<br>(g) | Market<br>Value of<br>Shares or<br>Units of<br>Stock<br>That<br>Have Not<br>Vested<br>(\$)(h) | Unearned<br>Shares,<br>Units<br>or<br>Other<br>Rights<br>That<br>Have<br>Not<br>Vested<br>(#)(i) | Equity<br>Incentive<br>Plan<br>Awards:<br>Payout<br>Value<br>of<br>Shares,<br>Units<br>or<br>Other<br>Rights<br>That<br>Have<br>Not<br>Vested<br>(\$)(j) |
| Edward J.<br>Wehmer | 30,000  |  |  | 12.00                            | 1/22/08                   | 40,000  | 1,920,800   |  |  |
|                     | 22,000  |  |  | 11.33                            | 10/28/09                  | 45,000  | 2,160,900   |  |  |
|                     | 144,000   | 36,000   |  | 18.81                            | 1/22/12                   | 4,761   | 228,623   |  |  |
|                     | 30,000  | 20,000   |  | 45.46                            | 1/22/13                   | 5,000   | 240,100   |  |  |
| David A.<br>Dykstra | 27,000  |  |  | 12.00                            | 12/5/07                   | 28,000  | 1,344,560   |  |  |
|                     | 16,000  |  |  | 11.33                            | 10/28/09                  | 3,809   | 182,908   |  |  |
|                     | 16,800  | 4,200  |  | 18.81                            | 1/22/12                   | 35,000  | 1,680,700   |  |  |
|                     | 9,000   | 6,000  |  | 45.46                            | 12/22/13                  |   |   |  |  |
|                     | 12,000  | 48,000   |  | 54.92                            | 1/25/15                   |   |   |  |  |
| David L.<br>Stoehr  | 10,200  | 2,550  |  | 18.81                            | 1/22/12                   | 1,500   | 72,030  |  |  |
|                     | 8,000   | 2,000  |  | 30.57                            | 10/24/12                  | 1,257   | 60,361  |  |  |

Edgar Filing: WINTRUST FINANCIAL CORP - Form DEF 14A

|                    |        |        |       |          |       |         |
|--------------------|--------|--------|-------|----------|-------|---------|
|                    | 600    | 400    | 45.46 | 12/22/13 |       |         |
| Richard B. Murphy  | 13,500 |        | 12.00 | 12/5/07  | 4,000 | 192,080 |
|                    | 8,800  |        | 11.33 | 10/28/09 | 1,739 | 83,507  |
|                    | 3,999  | 1,000  | 18.81 | 1/22/12  |       |         |
|                    | 25,200 | 16,800 | 43.20 | 10/30/13 |       |         |
|                    | 600    | 400    | 45.46 | 12/22/13 |       |         |
| Randolph M. Hibben | 9,000  |        | 12.00 | 12/5/07  | 6,000 | 288,120 |
|                    | 22,500 |        | 12.29 | 4/29/09  | 1,634 | 78,465  |
|                    | 8,599  |        | 11.33 | 10/28/09 | 1,351 | 64,875  |
|                    | 38,799 | 9,700  | 18.81 | 1/22/12  |       |         |
|                    | 2,100  | 1,400  | 45.46 | 12/22/13 |       |         |

(1) Multiple awards have been aggregated where the expiration date and the exercise and/or base price of the instruments are identical.

(2) The following table provides information with respect to the vesting of each NEO's outstanding non-equity incentive plan options:

| NEO                | Award Type    | 1/22/07 | 1/25/07 | 10/24/07 | 10/30/07 | 12/22/07 | 1/25/08 | 10/30/08 | 12/22/08 | 1/25/09 | 1/25/10 |
|--------------------|---------------|---------|---------|----------|----------|----------|---------|----------|----------|---------|---------|
| Richard B. Murphy  | Stock Options | 36,000  |         |          |          | 10,000   |         |          | 10,000   |         |         |
| Richard B. Murphy  | Stock Options | 4,200   | 12,000  |          |          | 3,000    | 12,000  |          | 3,000    | 12,000  | 12,000  |
| Richard B. Murphy  | Stock Options | 2,550   |         | 2,000    |          | 200      |         |          | 200      |         |         |
| Randolph M. Hibben | Stock Options | 1,000   |         |          | 8,400    | 200      |         | 8,400    | 200      |         |         |
| Randolph M. Hibben | Stock Options | 9,700   |         |          |          | 700      |         |          | 700      |         |         |

**Table of Contents**

- (3) The following table provides information with respect to the vesting of each NEO's outstanding shares of restricted stock units:

| Name               | Award Type             | 1/25/07 | 1/26/07 | 12/27/07 | 1/25/08 | 1/26/08 | 1/25/09 | 1/25/10 | 1/26/10 | 3/17/10 |
|--------------------|------------------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|
| Edward J. Wehmer   | Restricted Stock Units | 10,000  | 4,761   |          | 10,000  |         | 10,000  | 10,000  | 5,000   | 45,000  |
| David A. Dykstra   | Restricted Stock Units | 7,000   | 3,809   |          | 7,000   |         | 7,000   | 7,000   | 35,000  |         |
| David L. Stoehr    | Restricted Stock Units |         | 1,257   |          |         | 1,500   |         |         |         |         |
| Richard B. Murphy  | Restricted Stock Units | 1,000   | 1,739   |          | 1,000   |         | 1,000   | 1,000   |         |         |
| Randolph M. Hibben | Restricted Stock Units | 1,500   | 1,634   | 1,351    | 1,500   |         | 1,500   | 1,500   |         |         |

**OPTION EXERCISES AND STOCK VESTED**

The following table sets forth information for each named executive officer with respect to exercises of stock options and the vesting of stock awards during 2006, and the value realized upon such exercise or vesting.

| Name(a)            | Option Awards                                   |                                       | Stock Awards                                   |                                      |
|--------------------|---|---------------------------------------|--|--------------------------------------|
|                    | Number of Shares Acquired on Exercise (1)(#)(b) | Value Realized on Exercise (2)(\$)(c) | Number of Shares Acquired on Vesting (3)(#)(d) | Value Realized on Vesting (4)(\$)(e) |
| Edward J. Wehmer   |   |                                       | 14,097   | 724,586                              |
| David A. Dykstra   | 6,039   | 223,542                               | 10,186   | 523,560                              |
| David L. Stoehr    |   |                                       | 517  | 26,574                               |
| Richard B. Murphy  |   |                                       | 2,393  | 123,000                              |
| Randolph M. Hibben |   |                                       | 2,866  | 147,312                              |

- (1) Represents the exercise of vested stock options under the Company's 1997 Stock Incentive Plan.
- (2) The value realized on the exercise of stock options represents the pre-tax difference between the option exercise price and the sale price of the common stock on the date of exercise, multiplied by the number of shares of common stock covered by the stock options held by the named executive officers.
- (3) Represents the vesting of restricted stock units under the Company's 1997 Stock Incentive Plan.

- (4) The value realized on the vesting of restricted stock units represents the average of the high and low sale prices of the common stock on the date of vesting, as reported by Nasdaq, multiplied by the number of stock units held by the named executive officers.

#### **POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

As noted under Compensation Discussion and Analysis Post-Termination Compensation on page 19 of this Proxy Statement, we have entered into employment agreements with each of our NEOs that provide for payments in connection with such NEO's termination, whether upon a change of control or otherwise. A description of the terms of these employment agreements follows. The benefits to be provided to the NEO in each of those situations are described below, which assume that termination had taken place on December 31, 2006, the last day of our most recent fiscal year, and thus includes amounts earned through such time and are estimates of the amounts which would be paid to our NEOs upon their termination. The actual amounts to be paid out can only be determined at the time of such NEO's separation from the Company.

#### **Payments Made upon Termination**

The employment agreements provide for payments of certain benefits, as described below, upon the termination of the employment of a NEO. The NEO's rights upon a termination of his or her employment depend upon the circumstances of the termination. Central to an understanding of the rights of each NEO under the employment

## **Table of Contents**

agreements is an understanding of the definitions of Cause and Constructive Termination that are used in those agreements. For purposes of the employment agreements:

We have *Cause* to terminate the NEO if the NEO has engaged in any of a list of specified activities, including refusing to perform duties consistent with the scope and nature of his or her position, committing an act of gross negligence or willful misconduct resulting in or potentially resulting in economic loss or damage to the Company's reputation, conviction of a felony or other actions specified in the definition.

The NEO is said to have been *Constructively Terminated* (and thereby gain access to the benefits described below) if we (i) materially reduce the NEO duties and responsibilities or (ii) reduce the NEO's total adjustment compensation to less than 75% of such amount for the prior 12 months.

The employment agreements require, as a precondition to the receipt of these payments, that the NEO sign a standard form of release in which he or she waives all claims that he or she might have against us and certain associated individuals and entities. They also include noncompete and nonsolicit provisions and nondisparagement and confidentiality provisions that would apply for, in the case of Messrs. Wehmer, Dykstra and Murphy, three years and, in the case of Messrs. Stoehr and Hibben, two years following such NEO's termination of employment.

### ***Payment Obligations for Termination with Cause***

If a NEO is terminated for Cause, he is entitled to receive amounts earned during the terms of employment. Such amounts include:

- unpaid base salary through the date of termination;
- accrued but unused vacation or paid leave;
- earned but unpaid annual incentive compensation; and
- reimbursements.

### ***Payment Obligations Upon Death or Permanent Disability***

In the event of death or permanent disability of a NEO, in addition to the items above:

he will be entitled to a payment equal to a multiple, which is 3x for Messrs. Wehmer, Dykstra and Murphy, and 2x in the case of Messrs. Stoehr and Hibben, of the base salary in effect at termination of employment plus the cash and stock bonus awards to such NEO in the prior 12 months, with such payments to be made, (i) in the case of death, in a lump sum within 30 days of the executive's termination or (ii), in the case of permanent disability, ratably over 36 months in the case of Messrs. Wehmer, Dykstra and Murphy and over 24 months in the case of Messrs. Stoehr and Hibben, with any such payment benefit reduced by the proceeds from any life or disability insurance policies maintained by the Company and, in the case of disability, by other earned income; and

he will immediately vest in all outstanding awards under the Incentive Plans.

Additionally, in the event of termination due to permanent disability:

Messrs. Wehmer, Dykstra and Murphy will continue to receive health insurance, including for qualified dependents, either under the then current Company plan or under an independent policy having similar coverage to that maintained by the Company, until the earlier of (a) the date he becomes eligible for any comparable medical, dental, or vision coverage provided by any other employer or (b) the date he becomes eligible for Medicare benefits; and

Messrs. Stoehr and Hibben will continue to receive health insurance, including for qualified dependents, under the then current Company plan until the end of the 24-month period over which the severance payments described in the first bullet point of this subsection are made.

**Table of Contents**

***Payment Obligations for Constructive Termination or Termination Without Cause***

In the event of constructive termination or termination without cause of a NEO, such NEO is entitled to the items listed above under Payment Obligations for Termination with Cause and Payment Obligations Upon Death or Permanent Disability, except that (1) the payment described in the first bullet point under Payment Obligations Upon Death or Permanent Disability will not be made in a lump sum, but rather be made ratably over the applicable period, (2) outstanding awards under the Incentive Plans will not immediately vest but rather will remain exercisable until the earlier of three months or the life of the award and (3) in the case of Messrs. Stoehr and Hibben, they shall be entitled to continued health benefits until the earlier of (a) the date he becomes eligible for any comparable medical, dental, or vision coverage provided by any other employer, (b) the expiration of the maximum coverage period under COBRA or (c) the date he becomes eligible for Medicare benefits.

**Payment Obligations upon a Change in Control**

In the event of the constructive termination (with the 75% payment threshold in such definition increased to 100%) or termination without cause of a NEO within eighteen months of a change in control, which is defined below, such NEO shall be entitled to the same payments and items described above under Payment Obligations for Constructive Termination or Termination Without Cause, however, such payments shall be made in a lump sum within 30 days of such termination. Additionally, a NEO will be entitled to:

a payment equal to the excise tax charged to the NEO as a result of the receipt of any change of control payment within 30 days of the determination that such excise tax is due; and

pursuant to our Incentive Plans, immediate vesting and lapsing of restrictions on all outstanding awards.

Change of control is defined in the NEOs employment agreements by reference to the 1997 Plan, which defines change of control as any of the following events:

if any person acquires 20% or more of the Company's outstanding shares of common stock (other than securities acquired directly from the Company); or

if a majority of the Directors cease to be directors, provided that any individual becoming a director whose election, or nomination for election, was approved by a vote of at least a majority of the then current directors shall be considered as though such individual were a member of the current board; or

the approval by our shareholders of a reorganization, merger or consolidation, in each case, in which our shareholders immediately prior to such transaction do not, following such transaction, beneficially own more than 50% of the combined voting power of the corporation resulting from such transaction; or

the approval of our shareholders of a complete liquidation or dissolution of the Company or of the sale or other disposition of all or substantially all of the assets of the Company.



**Table of Contents**

The table below shows potential payments to the executive officers named in the Summary Compensation Table for cause, upon death or permanent disability, for Constructive Termination or without Cause and in connection with a Change in Control. The amounts shown assume that termination was effective as of December 31, 2006, and are estimates of the amounts that would be paid to the executives upon termination. The actual amounts to be paid can only be determined at the actual time of an executive's termination.

| Name                    | Type of Payment   | Death       | Permanent Disability | Constructive Termination or Termination | Change in Control |
|-------------------------|---|-------------|----------------------|---|-------------------|
|                         |   |             |                      | Without Cause                           |                   |
| Edward J. Wehmer(3)(4)  | Payment equal to 3x (1) base salary in effect at termination plus (2) cash and stock bonus awards in prior 12 months(1) | 2,775,000   | 2,775,000            | 2,775,000                               | 2,775,000         |
|                         | Vesting of Outstanding Awards   | 5,653,183   | 5,653,183            |   | 5,653,183         |
|                         | Medical, dental and vision health benefits(2)   |             | 163,612              | 163,612                                 | 163,612           |
|                         | Less life insurance proceeds paid to executive by third party(6)  | (1,850,000) |                      |   |                   |
|                         | <b>TOTAL</b>  |             | 6,578,183            | 8,591,795                               | 2,938,612         |
| David A. Dykstra(3)(4)  | Payment equal to 3x (1) base salary in effect at termination plus (2) cash and stock bonus awards in prior 12 months(1) | 2,070,000   | 2,070,000            | 2,070,000                               | 3,254,855(7)      |
|                         | Vesting of Outstanding Awards   | 3,346,210   | 3,346,210            |   | 3,346,210         |
|                         | Medical, dental and vision health benefits(2)   |             | 90,972               | 90,972                                  | 90,972            |
|                         | Less life insurance proceeds paid to executive by third party(6)  | (1,380,000) |                      |   |                   |
|                         | <b>TOTAL</b>  |             | 4,036,210            | 5,507,182                               | 2,160,972         |
| Richard B. Murphy(3)(4) | Payment equal to 3x (1) base salary in effect at termination plus (2) cash and stock bonus awards in                    | 1,080,900   | 1,080,900            | 1,080,900                               | 1,080,900         |

Edgar Filing: WINTRUST FINANCIAL CORP - Form DEF 14A

|                          |   |           |           |           |           |
|--------------------------|---|-----------|-----------|-----------|-----------|
|                          | prior 12 months(1)  |           |           |           |           |
|                          | Vesting of Outstanding Awards   | 386,797   | 386,797   |           | 386,797   |
|                          | Medical, dental and vision health benefits(2)   |           | 231,506   | 231,506   | 231,506   |
|                          | Less life insurance proceeds paid to executive by third party(6)  | (720,600) |           |           |           |
|                          | <b>TOTAL</b>  | 747,097   | 1,699,203 | 1,312,406 | 1,699,203 |
|                          |   |           |           |           |           |
| Randolph M. Hibben(3)(5) | Payment equal to 2x (1) base salary in effect at termination plus (2) cash and stock bonus awards in prior 12 months(1) | 721,600   | 721,600   | 721,600   | 721,600   |
|                          | Vesting of Outstanding Awards   | 718,381   | 718,381   |           | 718,381   |
|                          | Medical, dental and vision health benefits(2)   |           | 26,712    | 40,068    | 40,068    |
|                          | Less life insurance proceeds paid to executive by third party(6)  | (721,600) |           |           |           |
|                          | <b>TOTAL</b>  | 718,381   | 1,466,693 | 761,668   | 1,480,049 |
|                          |   |           |           |           |           |
| David L. Stoehr(3)(5)    | Payment equal to 2x (1) base salary in effect at termination plus (2) cash and stock bonus awards in prior 12 months(1) | 552,000   | 552,000   | 552,000   | 552,000   |
|                          | Vesting of Outstanding Awards   | 242,801   | 242,801   |           | 242,801   |
|                          | Medical, dental and vision health benefits(2)   |           | 26,712    | 40,068    | 40,068    |
|                          | Less life insurance proceeds paid to executive by third party(6)  | (552,000) |           |           |           |
|                          | <b>TOTAL</b>  | 242,801   | 821,513   | 592,068   | 834,869   |

(1) Based on base salary at December 31, 2006 and cash and stock bonus paid or granted in 2006.

(2) Based on premium costs as of December 31, 2006.

**Table of Contents**

- (3) In the event of termination with cause, each NEO would only be entitled to earned but unpaid base salary through the termination date, accrued but unused vacation or paid leave, earned but unpaid annual incentive compensation and reimbursement of miscellaneous company incurred expenses. For each NEO, this amount was zero as of December 31, 2006.
- (4) The employment agreements for Messrs. Wehmer, Dykstra and Murphy provide that in the event the potential payments would constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code, or any interest or penalties with respect to such excise tax, then an additional cash payment would be made within 30 days of such determination that will place them in the same after-tax economic position that they would have enjoyed if the excise tax had not been applied to the payment. Assuming a payout occurred at December 31, 2006, no excise tax would have been incurred for excess parachute payments in respect of Messrs. Wehmer and Murphy, however, as more fully detailed in Note (7) below, Mr. Dykstra would have been entitled to an additional cash gross-up payment.
- (5) The employment agreements for Messrs. Hibben and Stoehr provide that in the event the potential payments would constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code, or any interest or penalties with respect to such excise tax, then the amount of the payout would be automatically reduced to an amount equal to \$1 less than three times (3x) the base amount as defined in Section 280G(3) of the Internal Revenue Code ( Reduced Payment ). Provided, however, that the preceding sentence shall not apply if the sum of the potential payment less the amount of the excise tax payable would exceed the Reduced Payment. Assuming a payout occurred at December 31, 2006, no excise tax would have been incurred for excess parachute payments.
- (6) Based on payments to be received by NEO as defined in Bank Owned Life Insurance contracts.
- (7) Includes an excise tax gross-up payment of \$717,430 and an income tax gross-up payment of \$467,425, however, based on the terms of Mr. Dykstra's employment agreement and the required calculation, these gross-up payments would not be required to be paid after January 2007.

**DIRECTOR COMPENSATION**

The Company seeks to compensate its non-employee Directors in a manner that attracts and retains qualified candidates to serve on the Board of Directors. To strengthen the alignment of interests between Directors and shareholders, the Board has adopted a minimum stock ownership guideline. Within three years of joining the Board, each Director should own common stock (or common stock equivalents) having a value of at least three times the annual retainer fee.

**Compensation for Non-employee Directors**

For their service to the Company, non-employee Directors are entitled to an annual retainer, attendance fees for Board and committee meetings, and a payment for service as a chairman of the Board or of certain committees. Additionally, non-employee Directors who serve as a director of any of the Company's subsidiaries are entitled to compensation for such service. Directors who are employees of the Company receive no additional compensation for their service on the Board of Directors.

*Retainer Fees.* The Company pays non-employee Directors an annual retainer of \$30,000. As explained further below, this amount is paid in the Company's common stock.

*Attendance Fees.* Non-employee Directors receive \$3,250 for each Board of Directors meeting they attend. For service on a committee of the Board of Directors, non-employee Directors receive an attendance fee of \$1,700 per committee meeting, except for Audit Committee members, who receive a \$2,000 attendance fee.

*Chairmanships.* The Chairman of the Board, the Chairman of the Risk Management Committee, the Chairman of the Audit Committee, the Chairman of the Compensation Committee and the Chairman of the Nominating Committee are entitled to an additional fee of \$55,000, \$35,000, \$20,000, \$10,000 and \$10,000, respectively.

*Subsidiary Directorships.* Non-employee Directors who serve on the Boards of Directors of our Subsidiaries are entitled to compensation for such service. No independent member of the Company's Board of Directors serves on more than one subsidiary board other than Messrs. Getz and Rademacher. See the description above under Election of Directors for additional biographical information.

**Table of Contents**

**Directors Deferred Fee and Stock Plan**

The Directors Deferred Fee and Stock Plan (the Fee Plan ) is a program that allows non-employee Directors to receive their Director fees in either cash or common stock. This option does not apply to the retainer fee, which has been paid in common stock since January 2005. Under the Fee Plan, Directors may also choose to defer the receipt of their Director fees. Each of these options is described in greater detail below.

*Fees Paid in Stock.* As noted above, the retainer fee will be paid in shares of the Company s common stock. A Director may also elect to receive any other fees in shares of the Company s common stock. The number of shares of common stock to be issued will be determined by dividing the fees earned during a calendar quarter by the fair market value (as defined in the Fee Plan) of the common stock on the last trading day of the preceding quarter. The shares of common stock to be paid will be issued once a year on or about January 15<sup>th</sup> or more frequently if so determined by the administrator. Once issued, the shares will be entitled to full dividend and voting rights. In the event of an adjustment in the Company s capitalization or a merger or other transaction that results in a conversion of the common stock, corresponding adjustments will be made to common stock received by a Director.

*Deferral of Common Stock.* If a Director elects to defer receipt of shares of common stock, the Company will maintain on its books deferred stock units ( Units ) representing an obligation to issue shares of common stock to the Director. The number of Units credited will be equal to the number of shares that would have been issued but for the deferral election. Additional Units will be credited at the time dividends are paid on the common stock. The number of additional Units to be credited each quarter will be computed by dividing the amount of the dividends that would have been received if the Units were outstanding shares by the fair market value of the common stock on the last trading day of the preceding quarter. Because Units represent a right to receive common stock in the future, and not actual shares, there are no voting rights associated with them. In the event of an adjustment in the Company s capitalization or a merger or other transaction that results in a conversion of the common stock, corresponding adjustments will be made to the Units. The Director will be a general unsecured creditor of the Company for purposes of the common stock to be paid in the future. The shares of common stock represented by the Units will be issued on or about January 15<sup>th</sup> in the year specified by the Director in his participation agreement or in annual installments over a specified period not to exceed ten years.

*Deferral of Cash.* If a Director elects to defer receipt of Directors fees in cash, the Company will maintain on its books a deferred compensation account representing an obligation to pay the Director cash in the future. The amount of the Director s fees will be credited to this account as of the date such fees otherwise would be payable to the Director. All amounts credited to a Director s deferred compensation account will accrue interest based on the 91-day Treasury Bill discount rate, adjusted quarterly, until paid. Accrued interest will be credited at the end of each calendar quarter. No funds will actually be set aside for payment to the Director and the Director will be a general unsecured creditor of the Company for purposes of the amount in his deferred compensation account. The amount in the deferred compensation account will be paid to the Director on or about January 15<sup>th</sup> in the year specified by the Director in his participation agreement or in annual installments over a specified period not to exceed ten years.

**Table of Contents****Director Summary Compensation Table**

The table below summarizes the compensation paid by the Company to non-employee Directors for the fiscal year ended December 31, 2006.

| (a)<br>Name          | (b)<br>Fees<br>Earned or<br>Paid in<br>Cash<br>\$(1) | (c)<br>Stock<br>Awards<br>\$(2) | (d)<br>Option<br>Awards<br>(\$) | (e)<br>Change<br>in<br>Pension<br>Value<br>and<br>Nonqualified<br>Deferred<br>Earnings<br>(\$) | (f)<br>All Other<br>Compensation<br>\$(3) | (g)<br>Total<br>(\$) |
|----------------------|--|---------------------------------|---------------------------------|--|---|----------------------|
| Allan E. Bulley, Jr. |  | 39,050                          |                                 |  | 17,600                                    | 56,650               |
| Peter D. Crist       |  | 74,000                          |                                 |  | 8,558                                     | 82,558               |
| Bruce K. Crowther    |  | 59,500                          |                                 |  | 8,507                                     | 68,007               |
| Joseph F. Damico     |  | 56,300                          |                                 |  | 700                                       | 57,000               |
| Bert A. Getz, Jr.    |  | 75,550                          |                                 |  | 14,397                                    | 89,947               |
| John S. Lillard      |  | 121,500                         |                                 |  | 16,493                                    | 137,993              |
| James B. McCarthy    |  | 70,000                          |                                 |  | 3,847                                     | 73,847               |
| Albin F. Moschner    |  | 69,050                          |                                 |  | 1,068                                     | 70,118               |
| Thomas J. Neis       |  | 64,800                          |                                 |  | 8,692                                     | 73,492               |
| Hollis W. Rademacher | 61,600   | 30,000                          |                                 |  | 118,350                                   | 209,950              |
| J. Christopher Reyes |  | 76,500                          |                                 |  | 1,630                                     | 78,130               |
| John J. Schornack    | 64,000   | 30,000                          |                                 |  | 24,086                                    | 118,086              |
| Ingrid S. Stafford   |  | 72,300                          |                                 |  | 19,950                                    | 92,250               |

- (1) Includes fees paid in cash, both paid out and deferred, for services as directors of the Company.
- (2) Includes fees paid in stock, both distributed and deferred, for services as directors of the Company.
- (3) Includes fees paid in cash and stock, both paid out and deferred, for services as directors of the Company's subsidiaries. Also includes interest earned on fees deferred in accordance with Deferral of Cash option described above and dividends earned on fees deferred in accordance with Deferral of Common Stock option described above.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND MANAGEMENT**

The following table sets forth the beneficial ownership of the common stock as of the Record Date, with respect to (i) each Director and each Named Executive Officer (as defined herein) of the Company; (ii) all Directors and executive officers of the Company as a group and (iii) significant shareholders known to the Company that own in excess of 5% of the common stock.

|  | <b>Amount of<br/>Common<br/>Shares<br/>Beneficially<br/>Owned (1)</b> | <b>Restricted<br/>Stock<br/>Units (1)</b> | <b>Options &amp;<br/>Warrants<br/>Exercisable<br/>Within<br/>60 Days<br/>(1)</b> | <b>Total<br/>Amount of<br/>Beneficial<br/>Ownership<br/>(1)</b> | <b>Total<br/>Percentage<br/>Ownership<br/>(1)</b> |
|--|---|---|--|---|---|
| <b><i>Directors</i></b>  |   |   |  |   |   |
| Allan E. Bulley, Jr.   | 51,760  |   |  | 51,760  | *   |
| Peter D. Crist   | 52,415  |   |  | 52,415  | *   |
| Bruce K. Crowther  | 5,471   |   | 382  | 5,853   | *   |
| Joseph F. Damico   | 3,379   |   |  | 3,379   | *   |
| Bert A. Getz, Jr.  | 10,565  |   |  | 10,565  | *   |
| John S. Lillard  | 200,312   |   |  | 200,312   | *   |
| James B. McCarthy  | 5,429   |   |  | 5,429   | *   |
| Albin F. Moschner (2)  | 28,700  |   |  | 28,700  | *   |
| Thomas J. Neis   | 6,356   |   |  | 6,356   | *   |
| Hollis W. Rademacher   | 89,531  |   |  | 89,531  | *   |
| J. Christopher Reyes   | 245,030   |   |  | 245,030   | *   |
| John J. Schornack  | 17,063  |   |  | 17,063  | *   |
| Ingrid S. Stafford   | 8,232   |   |  | 8,232   | *   |
| Edward J. Wehmer**   | 168,023   | 80,000 (5)                                | 247,000  | 495,023   | 1.92%   |
| <b><i>Other Named Executive<br/>Officers</i></b>                                     |   |   |  |   |   |
| David A. Dykstra   | 75,047  | 56,000 (5)                                | 97,000   | 228,047   | *   |
| Richard B. Murphy  | 18,144  | 4,215 (5)                                 | 53,099   | 75,458  | *   |
| David L. Stoehr  | 3,452   | 3,181 (5)                                 | 21,350   | 27,983  | *   |
| Randolph M. Hibben   | 26,966  | 6,135 (5)                                 | 90,698   | 123,799   | *   |
| <b><i>Total Existing Directors &amp;<br/>Executive<br/>Officers (25 persons)</i></b> |   |   |  |   |   |
|  | 1,128,432   | 162,042                                   | 612,647  | 1,903,121   | 7.24%   |
| <b><i>Other Significant<br/>Shareholders</i></b>                                     |   |   |  |   |   |
| FMR Corp. (3)  | 2,547,230   |   |  | 2,547,230   | 9.99%   |
| Transamerica Investment<br>Management, LLC (4)                                       | 1,937,028   |   |  | 1,937,028   | 7.60%   |

\* Less than 1%

\*\* Mr. Wehmer is also an executive officer.

- (1) Beneficial ownership and percentages are calculated in accordance with Securities and Exchange Commission ( SEC ) Rule 13d-3 promulgated under the Securities Exchange Act of 1934.
- (2) All of the shares beneficially owned by Mr. Moschner are pledged as security to a financial institution.
- (3) Based on information obtained from Schedule 13G/A filed by FMR Corp. with the SEC on February 14, 2007. According to this report, FMR Corp. s business address is 82 Devonshire Street, Boston, MA 02109.



**Table of Contents**

- (4) Based on information obtained from Schedule 13G/A filed by Transamerica Investment Management, LLC with the SEC on February 21, 2007. According to this report, Transamerica Investment Management, LLC's business address is 11111 Santa Monica Boulevard Suite 820 Los Angeles, CA 90025.
- (5) Shares vest at various dates between 2007 and 2010, and are subject to forfeiture until such time as they vest.

**RELATED PARTY TRANSACTIONS**

We or one or our subsidiaries may occasionally enter into transactions with certain related persons. Related persons include our executive officers, Directors, 5% or more beneficial owners of our common stock, immediate family members of these persons and entities in which one of these persons has a direct or indirect material interest. We refer to transactions with these related persons as related party transactions. The Audit Committee is responsible for the review and approval of each related party transaction exceeding \$120,000. The Audit Committee considers all relevant factors when determining whether to approve a related party transaction including, without limitation, whether the terms of the proposed transaction are at least as favorable to us as those that might be achieved with an unaffiliated third party. Among other relevant factors, the Audit Committee considers the following:

the size of the transaction and the amount of consideration payable to a related person;

the nature of the interest of the applicable executive officer, director or 5% shareholder in the transaction;

whether the transaction may involve a conflict of interest;

whether the transaction involves the provision of goods or services to us that are available from unaffiliated third parties; and

whether the proposed transaction is on terms and made under circumstances that are at least as favorable to us as would be available in comparable transactions with or involving unaffiliated third parties.

Some of the executive officers and Directors of the Company are, and have been during the preceding year, customers of the Company's banking subsidiaries (the Banks), and some of the officers and Directors of the Company are direct or indirect owners of 10% or more of the stock of corporations which are, or have been in the past, customers of the Banks. As such customers, they have had transactions in the ordinary course of business of the Banks, including borrowings, all of which transactions are or were on substantially the same terms (including interest rates and collateral on loans) as those prevailing at the time for comparable transactions with nonaffiliated persons. In the opinion of management of the Company, none of the transactions involved more than the normal risk of collectibility or presented any other unfavorable features. At December 31, 2006, the Banks had \$8.1 million in loans outstanding to certain Directors and executive officers of the Company and certain executive officers of the Banks, which amount represented 1.1% of total shareholders' equity and 0.1% of the Company's total loans outstanding as of that date.

The policies and procedures relating to the Audit Committee approval of related party transactions are available in the Audit Committee Charter, which is available on our website, [www.wintrust.com](http://www.wintrust.com). All related party transactions are approved by the Audit Committee pursuant to these policies and procedures.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires the Company's Directors and executive officers and any person who owns greater than 10% of the Company's common stock to file reports of

holdings and transactions in the Company's common stock with the SEC. Currently, no person owns in excess of 10% of the Company's common stock.

Based solely on a review of the Section 16(a) reports furnished to us with respect to 2006 and written representations from our executive officers and directors, we believe that all Section 16(a) filing requirements applicable to our executive officers and directors during 2006 were satisfied, except that (1) the Company inadvertently was late in the filing of a Form 4 (a) reporting shares acquired upon the exercise of a stock option by Hollis Rademacher, one of our Directors, and (b) reporting a grant of restricted stock units to Randolph Hibben, one of our executive officers, (2) Albin Moschner, one of our Directors, was late in filing a Form 4 reporting the sale of

**Table of Contents**

100 shares and (3) James McCarthy, one of our Directors, was late in filing a Form 4 reporting three separate sales of shares.

**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company oversees the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for the consolidated financial statements and the reporting process, including the systems of internal controls.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements of the Company set forth in the Company's 2006 Annual Report to Shareholders and the Company's Annual Report on Form 10-K for the year ended December 31, 2006 with management of the Company. The Audit Committee also discussed with Ernst & Young LLP, independent registered public accounting firm for the Company, who are responsible for expressing an opinion on the conformity of those audited consolidated financial statements with United States generally accepted accounting principles, the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended.

The Audit Committee has received the written communication from Ernst & Young LLP required by Independence Standards Board Standard No. 1, has considered the compatibility of non-audit services with the auditors independence, and has discussed with Ernst & Young LLP their independence from the Company.

In reliance on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for 2006 for filing with the Securities and Exchange Commission.

**AUDIT COMMITTEE**

JOHN J. SCHORNACK (Chairman)  
BRUCE K. CROWTHER  
BERT A. GETZ, JR.

JAMES B. McCARTHY  
ALBIN F. MOSCHNER  
INGRID S. STAFFORD

**Table of Contents**

**PROPOSAL NO. 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed Ernst & Young LLP, independent registered public accounting firm, as auditors for the Company and its subsidiaries for fiscal year 2007. The Board of Directors and the Audit Committee recommend that shareholders ratify the appointment of Ernst & Young LLP as independent auditors for the Company and its subsidiaries. If shareholders do not ratify the appointment, the Audit Committee will reconsider its selection. Ernst & Young LLP has served as independent registered public accounting firm for the Company since 1999. One or more representatives of Ernst & Young LLP will be present at the Annual Meeting and afforded an opportunity to make a statement, if they desire to do so, and to respond to questions from shareholders.

**THE BOARD OF DIRECTORS AND AUDIT COMMITTEE UNANIMOUSLY RECOMMEND THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP TO SERVE AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR 2007.**

**AUDIT AND NON-AUDIT FEES PAID**

The Company's independent auditors for the fiscal year ended December 31, 2006, were Ernst & Young LLP. The Company's Audit Committee has appointed Ernst & Young LLP as the Company's independent auditors for 2007. Under its charter, the Audit Committee is solely responsible for reviewing the qualifications of the Company's independent auditors and selecting the independent auditors for the current fiscal year.

The following is a description of the fees billed to the Company by Ernst & Young LLP for the years ended December 31, 2006 and December 31, 2005:

*Audit Fees:* Audit fees include fees billed by Ernst & Young LLP for the review and audit of the Company's annual financial statements and review of financial statements included in the Company's quarterly reports filed with the SEC, as well as services normally provided by an independent auditor in connection with statutory and regulatory filings or engagements. Aggregate fees for audit services were \$782,500 in 2006 and \$735,000 in 2005.

*Audit-Related Fees:* Audit-related fees include fees for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements. Aggregate fees for audit-related services were \$20,000 in 2006 and \$20,000 in 2005.

*Tax Fees:* Tax fees include fees for tax compliance, tax return preparation advice and tax planning services. Aggregate fees for tax services were \$194,250 in 2006 and \$148,225 in 2005.

*All Other Fees:* This category comprises all fees billed by Ernst & Young LLP to the Company not included in the previous three categories. Aggregate fees for other services were \$2,500 in 2006 and \$2,500 in 2005.

The Audit Committee pre-approves all services, including both audit and non-audit services, provided by the Company's independent auditor. For audit services, the independent auditor provides the Audit Committee with an engagement letter outlining the scope of the audit services proposed to be performed during the year and the fees to be charged, which must be formally accepted by the Audit Committee before the audit commences.

Management also submits to the Audit Committee a list of non-audit services that it recommends the independent auditor be engaged to provide and an estimate of the fees to be paid for each. The Audit Committee considers whether the provision of non-audit services by the Company's independent auditor is compatible with maintaining the auditor's

independence. The Audit Committee must approve the list of non-audit services and the estimated fees for each such service before the commencement of the work.

To ensure prompt handling of unexpected matters, the Audit Committee has delegated the authority to amend and modify the list of approved permissible non-audit services and fees to the Audit Committee Chairman. If the Chairman exercises this delegation of authority, he reports the action taken to the Audit Committee at its next regular meeting.

All audit and permissible non-audit services provided by Ernst & Young LLP to the Company for 2006 were pre-approved by the Audit Committee in accordance with these procedures.

**Table of Contents**

**SHAREHOLDER PROPOSALS**

Shareholders' proposals intended to be presented at the Company's 2008 Annual Meeting of Shareholders must be received in writing by the Secretary of the Company no later than December 27, 2007, in order to be considered for inclusion in the proxy material for that meeting. Any such proposals shall be subject to the requirements of the proxy rules adopted under the Securities Exchange Act. Furthermore, in order for any shareholder to properly propose any business for consideration at the 2008 Annual Meeting, including the nomination of any person for election as a director, or any other matter raised other than pursuant to Rule 14a-8 of the proxy rules adopted under the Exchange Act, written notice of the shareholder's intention to make such proposal must be furnished to the Company in accordance with the By-laws. Under the existing provisions of the By-laws, if the 2008 Annual Meeting is held on May 22, 2008, the deadline for such notice is March 23, 2008.

**OTHER BUSINESS**

The Company is unaware of any other matter to be acted upon at the Annual Meeting for shareholder vote. In case of any matter properly coming before the Annual Meeting for shareholder vote, unless discretionary authority has been denied the proxy holders named in the proxy accompanying this statement shall vote them in accordance with their best judgment.

**BY ORDER OF THE BOARD OF DIRECTORS**

David A. Dykstra  
Secretary

**Table of Contents**

The Directors and Officers of  
cordially invite you to attend our  
2007 Annual Meeting of Shareholders  
Thursday, May 24, 2007, 10:00 a.m.  
Michigan Shores Club  
911 Michigan Avenue  
Wilmette, Illinois

**You can vote in one of three ways: 1) By Mail, 2) By Internet, 3) By Phone.**

See the reverse side of this sheet for instructions.

IF YOU ARE NOT VOTING BY INTERNET OR BY TELEPHONE, COMPLETE BOTH SIDES OF PROXY CARD,  
DETACH AND RETURN IN THE ENCLOSED ENVELOPE TO:

Illinois Stock Transfer Co.  
209 West Jackson Boulevard, Suite 903  
Chicago, Illinois 60606

**IMPORTANT**

|                           |   |   |
|---------------------------|---|---|
| DETACH PROXY CARD<br>HERE | Please complete both sides<br>of the PROXY CARD,<br>sign, date, detach and<br>return in the enclosed<br>envelope. | DETACH ATTENDANCE<br>CARD HERE<br>AND MAIL WITH PROXY<br>CARD |
|---------------------------|---|---|

**This proxy is solicited on behalf of the Board of Directors. If not otherwise specified on the reverse side, this proxy will be voted FOR Proposal 1 and 2. The undersigned revokes all proxies heretofore given to vote at such meeting and all adjournments or postponements.**

**Wintrust Financial  
Corporation**

COMMON

If you personally plan to attend the Annual Meeting of Shareholders, please check the box below and list names of attendees on reverse side.

Dated

Return this stub in the enclosed envelope with your completed proxy card.

(Please sign here)

Please sign your name exactly as it appears above. If executed by a corporation, a duly authorized officer should sign. Executors, administrators, attorneys, guardians and trustees should so indicate when signing. If shares are held jointly, all holders must sign.

I/We do plan to attend  
the 2007 Annual Meeting.    o





Table of Contents

**TO  
VOTE  
BY  
MAIL**

To vote by mail, complete both sides, sign and date the proxy card below. Detach the card below and return it in the envelope provided.

**TO VOTE  
BY  
INTERNET**

Your Internet vote is quick, confidential and your vote is immediately submitted. Just follow these easy steps:

1. Read the accompanying Proxy Statement.
2. Visit our Internet voting site at <http://www.illinoisstocktransfer.com>, click on the heading Internet Voting and follow the instructions on the screen.
3. When prompted for your Voter Control Number, enter the number printed just above your name on the front of the proxy card.

Please note that all votes cast by Internet must be **completed** and **submitted** prior to Tuesday, May 22, 2007 at 11:59 p.m. Central Time.

Your Internet vote authorizes the named proxies to vote your shares to the same extent as if you marked, signed, dated and returned the proxy card.

**This is a secured web page site. Your software and/or Internet provider must be enabled to access this site. Please call your software or Internet provider for further information if needed.**

*If You Vote By INTERNET, Please Do Not Return Your Proxy Card By Mail*

**TO VOTE BY  
TELEPHONE**

Your telephone vote is quick, confidential and immediate. Just follow these easy steps:

1. Read the accompanying Proxy Statement.
2. Using a Touch-Tone telephone, call Toll Free 1-800-555-8140 and follow the instructions.
3. When asked for your Voter Control Number, enter the number printed just above your name on the front of the proxy card below.

Please note that all votes cast by telephone must be **completed** and **submitted** prior to Tuesday, May 22, 2007 at 11:59 p.m. Central Time.

Your telephone vote authorizes the named proxies to vote your shares to the same extent as if you marked, signed, dated and returned the proxy card.

*If You Vote By TELEPHONE, Please Do Not Return Your Proxy Card By Mail*

PLEASE LIST  
NAMES OF PERSONS ATTENDING

**Wintrust Financial Corporation**

**REVOCABLE PROXY**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints John S. Lillard and Edward J. Wehmer and either of them as Proxies, each with the power to appoint his substitute, and hereby authorizes each of them to represent and to vote, as designated below, all the shares of Common Stock of Wintrust Financial Corporation which the undersigned is entitled to vote at the Annual Meeting of Shareholders to be held on May 24, 2007 or any adjournment thereof. If any other business is presented at the Annual Meeting, including whether or not to adjourn the meeting, this proxy will be voted, to the extent legally permissible, by those named in this proxy in their best judgment.

**Proposal 1 Election of the following Directors with a term ending 2008**

- |  |  |
|--|--|
| <p><input type="radio"/> <b>For all Nominees</b> Listed Below<br/>(except as marked to the contrary below)</p> | <p><input type="radio"/> <b>Withhold Authority</b> to vote for nominees below (Instructions: To withhold authority to vote for any individual nominee, strike a line through the nominee's name)</p> |
|--|--|

- |   |   |  |
|---|---|--|
| <p><b>01 Allan E. Bulley, Jr.</b><br/><b>02 Bruce K. Crowther</b><br/><b>03 Bert A. Getz, Jr.</b></p> | <p><b>04 James B. McCarthy</b><br/><b>05 Albin F. Moschner</b><br/><b>06 Thomas J. Neis</b></p> | <p><b>07 Ingrid S. Stafford</b><br/><b>08 Edward J. Wehmer</b></p> |
|---|---|--|

**Proposal 2 Ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the Company for the year 2007**

- For**         **Against**         **Abstain**

(to be signed on the other  
side)