

WINTRUST FINANCIAL CORP
Form DEF 14A
April 06, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12
Wintrust Financial Corporation
(Name of Registrant as Specified in its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)
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WINTRUST FINANCIAL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 24, 2018

To the Shareholders of Wintrust Financial Corporation:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders (the "Annual Meeting") of Wintrust Financial Corporation to be held at our offices located at 9700 West Higgins Road, 2nd Floor, Rosemont, Illinois 60018, on Thursday, May 24, 2018, at 10:00 a.m. Central Time, for the following purposes:

1. To elect the 12 nominees for director named in this Proxy Statement to hold office until the 2019 Annual Meeting of Shareholders;
2. To consider a proposal to amend and restate the Company's Employee Stock Purchase Plan to increase the number of shares of Common Stock that may be offered under the plan by 200,000;
3. To approve, on an advisory (non-binding) basis, the Company's executive compensation as described in this Proxy Statement;
4. To ratify the appointment of Ernst & Young LLP to serve as the independent registered public accounting firm for fiscal year 2018; and
5. 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 was the close of business on March 29, 2018. We encourage you to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, we urge you to vote.

By order of the Board of Directors,

Kathleen M. Boege

Corporate Secretary

April 6, 2018

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, IT IS IMPORTANT THAT YOU VOTE BY ONE OF THE METHODS NOTED IN THE ATTACHED PROXY STATEMENT.

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Shareholders to be Held on May 24, 2018:

This Notice of the Annual Meeting, Proxy Statement and the
2017 Annual Report on Form 10-K are Available at:
<https://materials.proxyvote.com/97650W>

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WINTRUST FINANCIAL CORPORATION

9700 West Higgins Road, Suite 800

Rosemont, Illinois 60018

PROXY STATEMENT

FOR THE 2018 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD THURSDAY, MAY 24, 2018

These proxy materials are furnished in connection with the solicitation by the Board of Directors (the “Board” with individual members of the Board each being referred to herein as a “Director”) of Wintrust Financial Corporation, an Illinois corporation (“Wintrust” or the “Company”), of proxies to be used at the 2018 Annual Meeting and at any adjournment of such meeting. In accordance with rules and regulations of the Securities and Exchange Commission (the “SEC”), instead of mailing a printed copy of our proxy materials to each shareholder of record, we furnish proxy materials, which include this Proxy Statement (this “Proxy Statement”) and the accompanying proxy card, Notice of Annual Meeting, and Annual Report on Form 10-K for fiscal year ended December 31, 2017, to our shareholders by making such materials available on the Internet unless otherwise instructed by the shareholder. If you received a Notice of Internet Availability of Proxy Materials (the “Notice”) by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice, which is first being mailed to shareholders on or about April 12, 2018.

ABOUT THE MEETING

When and where is the Annual Meeting?

The Annual Meeting will be held on Thursday, May 24, 2018 at 10:00 a.m. Central Time at the Company’s corporate headquarters at 9700 West Higgins Road, 2nd Floor, Rosemont, Illinois 60018.

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 the 12 nominees for Director named in this Proxy Statement, a proposal to amend and restate the Company's Employee Stock Purchase Plan ("ESPP") to increase the number of shares of the Company's common stock, no par value per share ("Common Stock"), that may be offered under the ESPP by 200,000, a proposal approving (on an advisory basis) the Company’s executive compensation as described in this Proxy Statement, and the ratification of the Audit Committee’s appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2018.

Who may vote at the Annual Meeting?

Only record holders of our Common Stock, as of the close of business on March 29, 2018 (the “Record Date”), will be entitled to vote at the meeting. On the Record Date, the Company had outstanding approximately 56,256,498 shares of Common Stock. Each outstanding share of the 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 the 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 marked “abstain” or returned without voting instructions are counted as present for the purpose of determining whether a quorum is present at the Annual Meeting. Also, if shares are held by

brokers who submit a proxy but are prohibited from exercising discretionary authority for beneficial owners who have not given voting instructions on certain matters (“broker non-votes”), those shares will be counted as present for the purpose of determining whether a quorum is present at the Annual Meeting.

How do I submit my vote?

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

- attending the Annual Meeting and voting by ballot;
- using your telephone, according to the instructions on the Notice or proxy card;
- visiting www.voteproxy.com and then following the instructions on the screen; or
- signing, dating and mailing in your proxy card which may be obtained by calling 888-proxyna (888-776-9962) or by emailing info@astfinancial.com.

The deadline for voting by telephone or on the Internet is 11:59 p.m. Eastern Time on May 23, 2018. Proxy cards submitted by mail must be received by the close of business on May 23, 2018.

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 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 and bring that proxy to the Annual Meeting.

Can I change or revoke 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 (prior to 11:59 p.m. Eastern Time on May 23, 2018); or
- delivering written notice of revocation to the Company’s Corporate Secretary by mail at 9700 West Higgins Road, Suite 800, Rosemont, Illinois 60018.

If you vote by phone or Internet, you may change your vote if you do so prior to 11:59 p.m. Eastern Time on May 23, 2018. If you vote by returning a proxy card by mail, any later-dated proxy card must be received by the close of business on May 23, 2018. 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 Inspector of Election, American Stock Transfer & Trust 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 Sodali LLC, 470 West Avenue, Third Floor, Stamford, Connecticut 06902, to solicit proxies for a fee of \$7,000 plus expenses.

What are the Board's recommendations as to how I should vote on each proposal?

The Board recommends a vote:

• FOR the election of each of the 12 Director nominees named in this Proxy Statement;

• FOR the proposal to amend and restate the Company's ESPP to increase the number of shares of Common Stock that may be offered under the plan by 200,000;

• FOR the approval, on an advisory (non-binding) basis, of the Company's executive compensation as described in this Proxy Statement; and

• FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2018.

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 each of the 12 Director nominees named in this Proxy Statement;

• FOR the proposal to amend and restate the Company's ESPP to increase the number of shares of Common Stock that may be offered under the plan by 200,000;

• FOR the approval, on an advisory (non-binding) basis, of the Company's executive compensation as described in this Proxy Statement; and

• FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2018.

With respect to any other business that 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, your shares will be voted in accordance with the best judgment of the persons voting the proxies.

How will broker non-votes be treated?

A broker non-vote occurs when a broker who holds its customer's shares in street name submits proxies for such shares, but indicates that it does not have authority to vote on a particular matter. Generally, this occurs when brokers have not received any instructions from their customers. In these cases, the brokers, as the holders of record, are permitted to vote on "routine" matters only, but not on other matters. In this Proxy Statement, brokers who have not received instructions from their customers would only be permitted to vote on:

the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2018.

Brokers who have not received instructions from their customers would not be permitted to vote on the following proposals which are considered "non-routine" matters:

To elect the 12 Director nominees named in this Proxy Statement;

- To amend and restate the Company's ESPP to increase the number of shares of Common Stock that may be offered under the plan by 200,000; and

The approval, on an advisory (non-binding) basis, of the Company's executive compensation as described in this Proxy Statement.

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 "non-routine" matters described above, for which the broker indicates it does not have discretionary authority.

How will abstentions be treated?

For purposes of determining whether or not we have a quorum at the Annual Meeting, if you vote to abstain, your shares will be counted as present at the Annual Meeting.

If you abstain from voting for one or more of the nominees for Director, this will have the same effect as a vote against such nominee. If you abstain from voting on the proposal to amend and restate the Company's ESPP to increase the number of shares of Common Stock that may be offered under the plan by 200,000, the advisory (non-binding) proposal approving the Company's executive compensation as described in this Proxy Statement, or on the ratification of the Audit Committee's appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2018, your abstention will have the same effect as a vote against the proposal or proposals on which you abstain from voting.

What if other matters come up during the Annual Meeting?

If any matters other than those referred to in the Notice of Annual Meeting properly come before the Annual 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 Annual 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.

BOARD OF DIRECTORS, COMMITTEES AND GOVERNANCE

Board of Directors

Overview

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 ("CEO") and other officers. The Board has seven standing committees. The principal responsibilities of the standing committees are described under the applicable committee headings below.

Additionally, the independent Directors meet in regularly scheduled executive sessions, with and without management present, at each meeting of the Board and its committees.

Corporate Governance Practices

We believe that a culture of strong corporate governance is a critical component of our success. Our Board continually evaluates corporate governance developments and strives to adopt "best practices" including:

• Annual election of Directors.

• Independent Chairman of the Board.

• Independent Board. Our Board is comprised of all independent Directors, except our CEO.

• Majority vote standard for election of our Directors.

• Independent Board committees. Each of our committees (other than the Executive Committee) is made up entirely of independent Directors. Each standing committee operates under a written charter that has been approved by the respective committee, the Nominating and Corporate Governance Committee (the "Nominating Committee") and the Board.

• Regular executive sessions of independent Directors. At each meeting of the Board and each of its Committees, the Directors meet without management present in regularly scheduled executive sessions of independent Directors.

• Regular Board self-evaluation process. The Board and each committee evaluate its performance on an annual basis.

• Service by the majority of our Directors on the boards of our subsidiary banks or other operating subsidiaries. We believe this dual service gives our Directors a robust view into our operations and performance.

• Limitation on other outside board service. We limit our Directors to serve on no more than four other public company boards.

• Retirement Age. We have a policy that we will not nominate a candidate for Director if he or she has attained the age of 76 before the election.

• Robust code of ethics. Our corporate code of ethics applies to all of our employees, including our Directors and executive officers. We also have an additional code of ethics applicable to our senior financial officers.

• Robust role for the Board in risk oversight. Our Board and its committees play an active and ongoing role in the management of the risks of our business.

• Stock ownership guidelines for Directors and named executive officers. Our Directors and named executive officers each must maintain a significant ownership of our Common Stock in order to increase alignment of their interests with those of our shareholders.

• Prohibition on hedging, short selling and pledging. Our Directors and executive officers are prohibited from engaging in selling short our Common Stock, engaging in hedging or offsetting transactions regarding our Common Stock or pledging our Common Stock.

• No shareholder rights plan (poison pill).

Meetings

The Board met seven times in 2017. Each member of the Board attended more than 85% of the total number of meetings of the Board and the committees on which he or she served. We encourage, but do not require, our Board members to attend annual meetings of shareholders. All of our Board members then in office attended our 2017 Annual Meeting of Shareholders.

Board Leadership Structure

The Board has a non-executive Chairman. This position is independent from management. The Chairman leads the Board meetings as well as meetings of the independent Directors. The CEO is a member of the Board and participates in its meetings. The Board believes that this leadership structure is appropriate for the Company at this time because it allows for independent oversight of management, increases management accountability and encourages an objective evaluation of management's performance relative to compensation. In addition, the Board recognizes that acting as Chairman of the Board is a particularly time-intensive responsibility. Separating these roles allows the CEO to focus solely on his duties, which the Board believes better serves the Company. Separation of the roles of Chairman and CEO also promotes risk management, enhances the independence of the Board from management, and mitigates potential conflicts of interest between the Board and management. In order to ensure continuity of leadership, the Company has a policy set forth in its Corporate Governance Guidelines providing that each non-executive Chairman may serve for a term of not more than nine (9) consecutive years, subject to the requirement that he or she be re-elected as Chairman annually by the Board. The Nominating Committee has proposed, and the Board has agreed, that pending his re-election, H. Patrick Hackett, Jr. will continue to serve as non-executive Chairman of the Board following the Annual Meeting.

The Board's Role in Risk Oversight

Our Board has an active and ongoing role in the management of the risks of our business. This role has two fundamental elements: (1) ensuring that management of the Company has implemented an appropriate system to manage risks by identifying, assessing, mitigating, monitoring and communicating about risks; and (2) providing effective risk oversight through the Board and its committees.

The Board believes the first element of its risk oversight role is fulfilled through the Company's extensive risk assessment and management program designed to identify, monitor, report and control the Company's risks, which are broken down into various categories deemed relevant to the Company and its business operations. The Enterprise Risk Management Program is administered by the Company's Senior Vice President — Chief Risk Officer, who provides reports to the Board, the Audit Committee and the Risk Management Committee on a regular basis and other committees of the Board as needed.

The second element of the Board's oversight role is fulfilled primarily by the full Board regularly receiving written and oral reports from management on the status of each category of Company risk and on the Company's overall risks as well as any material changes or developments in any risk profiles or experiences. Through this process, our Board reviews and assesses information regarding cybersecurity risks with management. The Board also periodically receives reports regarding regulatory priorities and reviews regulatory examination reports of the Company to remain informed on issues and observations raised by regulatory authorities regarding the risk categories of the Company. In addition to the full Board's direct oversight, the Board's committees provide oversight of various risks created by the Company's operations. The Audit Committee provides oversight of the monitoring of risk, generally, and oversight of financial, regulatory, information security, operational and legal risks, in particular. The Risk Management Committee monitors, among other things, credit, interest rate, liquidity and market risks. The Finance Committee provides oversight of risks related to strategic transactions and reviews risks associated with the Company's capital planning strategy and liquidity. The Information Technology & Information Security Committee ("IT/IS Committee") provides oversight of risks related to the Company's information technology and information security strategy, infrastructure, systems, business continuity planning and disaster recovery plans and testing. The Nominating Committee provides risk oversight relating to the Company's board and governance. The Compensation Committee provides oversight of risks related to the Company's compensation of its employees. In addition, the Audit Committee, Finance Committee and Risk Management Committee have each undertaken to monitor relevant portions of the risks relating to the Dodd-Frank Act Stress Test ("DFAST") process.

Codes of Ethics

The Board has adopted our Corporate Code of Ethics applicable to all Directors, officers and employees, and our Senior Financial Officer Code of Ethics (together with the Corporate Code of Ethics, the "Codes") each of which is available on the Company's website at www.wintrust.com by choosing "Investor Relations" and then choosing "Corporate Governance." To assist in enforcement of the Codes, 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 SEC, bank regulatory filings and other public disclosures that are not full, fair, accurate, timely or understandable; violations of our Codes; 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 or more frequently as needed. The Company will post on its website any amendments to, or waivers from, the Codes as they apply to its Directors and executive officers to the extent required by SEC or NASDAQ rules.

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 Corporate Secretary, Wintrust Financial Corporation,

9700 West Higgins Road, Suite 800, Rosemont, Illinois 60018. 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). 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) 939-9000 and requesting a copy. Information contained on Wintrust's website is not deemed to be a part of this Proxy Statement.

Committee Membership

The following table summarizes the current membership of the Board and each of its committees as of the date of this Proxy Statement:

Board of Directors	Nominating and Corporate Governance Committee	Audit Committee	Compensation Committee	Risk Management Committee	Finance Committee	Information Technology/Information Security Committee	Executive Committee
Peter D. Crist	Chair		Member		Member		Member
Bruce K. Crowther			Chair		Member	Member	Member
William J. Doyle	Member		Member		Member		
Zed S. Francis III		Member		Member			
Marla F. Glabe	Member	Member		Member			
H. Patrick Hackett, Jr. (Chair)	Member				Member		Chair
Scott K. Heitmann		Member		Chair		Member	Member
Christopher J. Perry				Member	Chair		