

ENTERPRISE FINANCIAL SERVICES GROUP, INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD**

January 25, 2024

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Enterprise Financial Services Group, Inc. (the "Company"), the holding company for Enterprise Bank (the "Bank"), will be held at the offices of the Company at 4091 Mount Royal Boulevard, Allison Park, Pennsylvania 15101-2917 on Thursday, January 25, 2024 at 11:30 a.m., local time, for the following purposes:

1. To elect three directors to Class Three of the Board of Directors, for a three year term;
2. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only holders of the Company's Common Stock of record on the books of the Company at the close of business on December 31, 2023 will be entitled to vote at the meeting. A copy of the Annual Report, which includes the audited financial statements of the Company for the fiscal year ended September 30, 2023, is enclosed.

January 3, 2024

By Order of the
Board of Directors

Charles H. Leyh,
Chairman of the Board

ENTERPRISE FINANCIAL SERVICES GROUP, INC.
PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Enterprise Financial Services Group, Inc. (the "Company") for use at the Annual Meeting of Shareholders of the Company to be held on January 25, 2024, at the time and place and for the purposes set forth in the Notice of Meeting which accompanies this Proxy Statement. Notice with respect to the meeting is being first mailed to shareholders on or about January 3, 2024.

The mailing address of the principal executive offices of the Company is Enterprise Financial Services Group, Inc., 4091 Mount Royal Boulevard, Allison Park, Pennsylvania 15101-2917; Telephone Number: (412) 487-6048.

Common Stock. On December 31, 2023, the record date for the Annual Meeting, there were 1,172,140 shares of the Company's Common Stock outstanding. Each shareholder is entitled to one vote for each share registered in his or her name on the list of shareholders as of the record date. A list of shareholders as of the record date will be available for inspection during usual business hours at the registered office of the Company before the meeting and will be available for inspection at the Annual Meeting of the Shareholders.

Quorum. The presence in person or by proxy of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on a matter shall constitute a quorum for the purpose of considering such matter.

Appointment and Revocation of Proxies. A shareholder executing the enclosed form of proxy has the power to revoke it at any time insofar as it has not been exercised. In this respect, a shareholder giving the proxy may revoke the proxy by depositing an instrument in writing, executed by the shareholder or by his attorney authorized in writing, at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting or of an adjournment thereof at which the proxy is to be used or with the Chairman of such meeting on the day of the meeting or an adjournment thereof, or in any other manner permitted by law.

PROPOSAL 1 ELECTION OF DIRECTORS

Under the Company's Articles of Incorporation, the Board of Directors is divided into three classes. Each class of directors will serve for a term of three years, with one class being elected each year. At the Annual Meeting this year, shareholders are being asked to elect directors to Class Three for a three year term.

The following table sets forth the name of each director and each other person nominated by the Company's Board of Directors for election as a director, the Class to which they have been designated, all the other positions and offices with the Company now held by the nominee and the nominee's present principal occupation.

Unless the shareholder specifies in the enclosed form of proxy that authority is withheld to vote for any director, the persons named in the form of proxy intend to vote the shares represented thereby FOR the election of the nominees whose names are set forth below. It is not expected that any of such nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the form of proxy will vote for the election of another person or persons in their discretion. Each director elected will hold office until the Annual Meeting in the year in which their term expires or until their successor is elected or appointed, unless their office is earlier vacated in accordance with the bylaws of the Company.

Nominees for Class Three to Serve a Three Year Term Expiring in 2027

Larry G. Lockard Mr. Lockard is the Secretary of the Company and Enterprise Bank and a member of the Bank's Senior Loan and Finance Committees. He is President of LMC Enterprises, Inc. a residential and commercial real estate development, construction, and management company. Mr. Lockard is the father of Douglas W. Lockard, who is a director and officer of the Company and the Bank. He has served as a director of the Company and the Bank since their inception.

Dr. Timothy A. DeBiase Dr. DeBiase served as President of East Suburban Pediatrics, Ltd., a pediatric medical practice until his retirement. A physician, Dr. DeBiase is a member of the American Academy of Pediatrics and the Pennsylvania Medical Society. He has served as a director of the Company and the Bank since their inception. He previously served as a member and the Chairman of the Bank's Audit and Compliance Committee. He currently serves as a member of the Bank's Senior Loan Committee.

Melissa A. Hart Ms. Hart is an attorney and consultant. She also has an extensive public service background having been a member of both the U.S. House of Representatives and the Senate of Pennsylvania. She earned her B.A. with majors in Business and German from Washington & Jefferson College in 1984 and her J.D. from the University of Pittsburgh School of Law in 1987. Hart joined a Pittsburgh law firm where she worked with financial services, small business and real estate clients. She entered public service in 1991 and served for 10 years in the Pennsylvania Senate, chairing the Finance Committee. She moved on to Congress in 2001 and served three terms in the U.S. House, serving on both the Financial Services and Ways & Means Committees during her terms, representing Western Pennsylvania. Ms. Hart is currently affiliated with the law firm Hergenroeder, Rega, Ewing & Kennedy, LLC in Pittsburgh, PA.

The Board of Directors recommends you vote FOR election of the nominees for director.

DIRECTORS OF THE COMPANY

Following is a listing of the current directors of the Company whose terms will continue:

Charles H. Leyh Mr. Leyh is President, Chief Executive Officer and Chairman of the Board of Directors of the Company. He is also President and Chief Executive Officer of Enterprise Bank and has served as Chairman of the Board of Directors of the Bank since its inception. Mr. Leyh serves as a member of the Senior Loan and Finance Committees. He is a Certified Public Accountant and was a partner in the accounting firm of Kinol, Sharie, Leyh & Associates from 1989 until his retirement in 2020. Mr. Leyh served as Chairman of the Pennsylvania Association of Community Bankers in 2012.

Raymond R. Ford Mr. Ford is a Senior Vice President/Relationship Manager for Enterprise Bank. Mr. Ford manages all of the Relationship Managers in addition to maintaining his own loan portfolio. Mr. Ford has a Bachelor's Degree from Robert Morris College in Accounting and Business Information Systems and a MBA from University of Pittsburgh with a strength in Finance. He has over 32 years of Commercial Lending experience with 19 of those years being at Enterprise Bank. Mr. Ford also is a Member of the Board of Directors of Regional Development Funding Corporation.

Keith Rothfus Mr. Rothfus served in the United States Congress from 2013 to 2019, representing Pennsylvania's Twelfth Congressional District in the U.S. House of Representatives. While a member of Congress Mr. Rothfus served on the Financial Services Committee as well as the Judiciary Committee. Prior to entering Congress, Keith served as the inaugural director of the Center for Faith-based and Community Initiatives at the Department of Homeland Security in the President George W. Bush administration. He also practiced law with a focus on commercial transactions, intellectual property licensing and Internet law. Congressman Rothfus earned his Juris Doctor at the Notre Dame Law School and his Bachelor of Science at the SUNY College at Buffalo.

Douglas W. Lockard Mr. Lockard is Vice Chairman of the Board of Directors of both Enterprise Financial Services Group, Inc. and Enterprise Bank and has served in that capacity since their inception. Mr. Lockard currently serves as Executive Vice President and Director of Real Estate Operations for the Bank. He is a principal officer and shareholder of LMC Enterprises, Inc. and DWL Management Co., Inc., real estate development and property management companies, and LGL Pizza Hut Inc., a franchise restaurant chain. Mr. Lockard is also a licensed real estate broker and appraiser.

Timothy K. Zimmerman Mr. Zimmerman served as Chief Executive Officer and a director of Standard AVB Financial Corp. and Standard Bank from 2017 to 2020. He was the President and Chief Executive Officer of Standard Financial Corp. and Standard Bank from 1992 to 2017 and a director of Standard Financial Corp. and Standard Bank from 1993 to 2017. Prior to joining Standard Bank, Mr. Zimmerman served at Landmark Savings Association, Pittsburgh (and predecessors) from 1977 to 1992, including service as Senior Vice President and Chief Financial Officer from 1985 to 1992. Mr. Zimmerman is a Certified Public Accountant and worked for KPMG Peat Marwick from 1973 to 1977. Mr. Zimmerman is very active in not for profit organizations, serving on boards and committees of the Pittsburgh Civic Light Opera and others in the Greater Pittsburgh Area. He is a former member of the Board of Directors of the Pennsylvania Association of Community Bankers. He served as Chairman of the Independent Community Bankers of America ("ICBA") and as a member of ICBA's Board of Directors and Executive Committee. During his affiliation with ICBA, he served in many leadership roles including as Chairman of ICBA Securities, Vice Chairman of the Bank Education Committee, Vice Chairman of the Policy Development Committee and Chairman of the ICBA's Federal Home Loan Bank Task Force. In addition, he has served as Chairman and Vice Chairman of the Consumer Financial Protection Bureau's Community Bank Advisory Council and as a member of the National Association of Home Builders Mortgage Roundtable. Mr. Zimmerman contributes his extensive experience in financial accounting, financial institutions and management experience to the Board of Directors.

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

Regular meetings of the Board of Directors of the Bank are held on a monthly basis. The Board of Directors held a total of thirteen regular meetings during the fiscal year ended September 30, 2023. Each director attended at least 80% of the combined total number of meetings of the Board of Directors and the committees of which he was a member.

In the fiscal year ended September 30, 2023, the directors were paid \$150 per hour for each board meeting and \$95 per hour for each committee meeting they attended. Members of the Senior Loan Committee were paid \$190 per hour for each meeting they attended. The Company paid (or accrued) for the Board of Directors and advisors \$265,309 for all services rendered during the fiscal year that ended September 30, 2023.

In addition to the regular meetings, the Company and its subsidiary, Enterprise Bank, have established other committees which consist of members of the Board of Directors and which meet as required. These committees include: Senior Loan Committee, Audit and Compliance Committee, Finance Committee, Executive Committee and Ad-Hoc Disaster Recovery Committee.

The following table summarizes fees paid or accrued to each member of the Board of Directors:

Larry G. Lockard	\$29,895
Charles H. Leyh	32,532
Douglas W. Lockard	31,630
William E. Kinol	13,883
Dr. Timothy A. DeBiasse	32,106
Timothy Zimmerman	10,835
Raymond Ford	11,728
Melissa Hart	27,200
Keith Rothfus	26,338
Frank Schwarz (advisor)	10,570
Craig Cozza (advisor)	8,235
Lori Cestra (advisor)	<u>30,357</u>
Total Board of Directors compensation	<u>\$ 265,309</u>

CERTAIN TRANSACTIONS

In the ordinary course of business, the Company has had and anticipates that it may continue to have transactions with various directors and executive officers of the Company, members of their immediate families and their associates, including corporations in which such directors and executive officers own beneficial interests, and principal shareholders of the Company. To the extent such transactions consisted of extensions of credit by the Bank, such transactions were made in the ordinary course of the Bank's business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the Bank's other respective customers and did not involve more than the normal risk of collectability or present other unfavorable features.

Enterprise Bank paid \$7,643 in referral fees to Frank Schwarz in the fiscal year ended September 30, 2023 for services rendered under the Bank's standard business referral agreement.

Melissa Hart, a director of the Company, is employed at the law firm of Hergenroeder, Rega, Ewing & Kennedy. For the year ended September 30, 2023 the Company paid \$7,442 to the firm for services rendered.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee is relied upon to develop the broad outline of the Company's compensation program and to monitor the success of the program in achieving the objectives of the Company's compensation philosophy. The Compensation Committee is also responsible for the oversight of the administration of the compensation programs and policies.

It is the Company's philosophy to compensate its executive officers at rates comparable to that of equivalent positions at institutions of similar asset size and geographic locations. The Compensation Committee relies upon available peer group data to analyze compensation mix and levels at similar institutions. This analysis is used as a guide by the Compensation Committee in setting compensation levels for its executive officers.

COMPENSATION OF OFFICERS AND DIRECTORS

The following table identifies the principal executive officers of the Company and summarizes their compensation for the year ending September 30, 2023:

Officer; Title	Annual Salary	Bonus	Commissions and Incentive	Board of Directors Fees	Bank Contribution to 401(k) Plan	Bank Contribution to ESOP Plan	Medical, Life & Disability Benefits	Allocated Personal Use of Automobile	Total Compensation
Charles H. Leyh (1); President, Chief Executive Officer, Chairman of the Board of Directors	\$ 300,000	\$ 325	\$ -	\$ 32,532	\$ 9,488	\$ 16,339	\$ 5,650	\$ 5,518	\$ 369,852
Douglas W. Lockard(2); Senior Vice President and Director of Real Estate Operations, Vice Chairman of the Board of Directors	\$ 120,000	\$ 325	\$ 71,934	\$ 31,630	\$ 4,505	\$ 8,044	\$ 5,593	\$ 1,826	\$ 243,857

- (1) Mr. Leyh entered into a written employment agreement with the Bank commencing September 30, 2022 and ending September 30, 2027. The agreement provides for an initial base salary of \$300,000 per year through September 30, 2024. The base salary under this agreement shall be determined in the sole discretion of the Bank's Board of Directors. The agreement also provides for an annual performance bonus, the amount of which is to be determined each year by the Board of Directors. Performance bonuses are to be paid in the form of restricted stock with the Bank to pay any and all payroll tax liabilities. Additionally, the agreement allows for Mr. Leyh to participate in and receive all benefits made available by the Bank to its executives and key management personnel. Current benefits, as summarized above, include participation in the Bank's 401(k) and ESOP plans, medical, life and disability insurance and personal use of a company automobile. The agreement includes a provision for Mr. Leyh to transition to a Part-Time Executive beginning October 1, 2024 through the end of the contract. Upon transition to part-time, compensation and benefits shall be determined by mutual agreement of Mr. Leyh and the Board and shall be a pro-rata share of the full-time Executive salary under this agreement based on the number of days per week worked.
- (2) Mr. Lockard entered into a written employment agreement with the Bank commencing October 1, 2022 and ending September 30, 2027. The agreement provides for an initial base salary of \$120,000 per year through September 30, 2025. The base salary under this agreement shall be determined in the sole discretion of the Bank's Board of Directors. The agreement also provides for an annual performance bonus, the amount of which is to be determined each year by the Board of Directors. Performance bonuses are to be paid in the form of restricted stock with the Bank to pay any and all payroll tax liabilities. The agreement also provides for Mr. Lockard to receive commissions for acting in his capacity as a real estate broker for the Company and the Bank. Additionally, Mr. Lockard is to receive incentive compensation equal to 20% of the net profits earned by the Bank's real estate subsidiary, Kuzneski & Lockard, Inc. The agreement provides for Mr. Lockard to participate in and receive all benefits made available by the Bank to its executives and key management personnel. Current benefits, as summarized above, include participation in the Bank's 401(k) and ESOP retirement plans, medical, life and disability insurance and personal use of a company automobile.

OTHER MATTERS

It is expected that the solicitation of proxies for the Annual Meeting will be primarily by mail but proxies may also be solicited personally by officers of the Company. The total cost of the solicitation will be borne by the Company.

The shares represented by properly executed proxies in favor of the persons designated in the enclosed form of proxy **will, unless authority to vote is withheld, be voted FOR the election as directors of the nominees whose names are set forth above, and in the discretion of the proxy holders on any other matters to properly come before the meeting.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the meeting. At the time of printing this proxy statement, the Board of Directors of the Company knows of no such amendment or variation or matter to come before the meeting other than the matters referred to in the Notice of the Meeting. If, however, any other matters properly come before the meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person voting the proxy.

Under the Company's Bylaws, nominations for director made by shareholders must be made in writing and received by the Company not less than 10, nor more than 60, days prior to the meeting of shareholders called for the election of directors, and must include certain specified information regarding the nominees and the shareholder making the nomination. A copy of the Company's Bylaws is available from the Company upon request.