

CENTRUE FINANCIAL CORP  
Form DEF 14A  
March 26, 2010

**SCHEDULE 14A INFORMATION**

**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 Pursuant to Section 240.14a-11(c) or Section 240.14a-12

**CENTRUE FINANCIAL CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

**Payment of Filing Fee (Check the appropriate box):**

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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(2) Aggregate number of securities to which transaction applies: NA

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(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): NA

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(4) Proposed maximum aggregate value of transaction: NA

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(5) Total fee paid: NA

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- Fee paid previously with preliminary materials.  
 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: NA

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- (2) Form, Schedule or Registration Statement No.: NA
- (3) Filing Party: NA
- (4) Date Filed: NA

**Notes:**

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March 29, 2010

Dear Fellow Stockholder:

You are cordially invited to attend Centrue Financial Corporation's annual meeting of stockholders at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 28, 2010, at 8:00 a.m. local time.

Your board of directors has nominated three persons to serve as Class III directors on the board of directors. Their names appear in the enclosed proxy materials. All three of the nominees are incumbent directors. The board of directors recommends that you vote your shares for each of the nominees.

You are welcome to attend the meeting in person. Because it is important that your shares be represented at the meeting, please sign and return the enclosed proxy, whether or not you plan to attend the meeting. This will save us additional expense in soliciting proxies and will ensure that your shares are represented at the meeting.

A copy of our annual report to stockholders for 2009 is also enclosed. Thank you for your attention to this important matter.

Very truly yours,

Thomas A. Daiber  
President and  
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD APRIL 28, 2010

TO HOLDERS OF COMMON STOCK:

The annual meeting of stockholders of Centru Financial Corporation, a Delaware corporation, will be held at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 28, 2010, at 8:00 a.m. local time, for the purpose of considering and voting upon the following matters:

1. To elect three Class III directors.
2. To consider an advisory (non-binding) vote ratifying the appointment of Crowe Horwath LLP as our independent auditors for the fiscal year ending December 31, 2010.
3. To consider an advisory (non-binding) vote approving executive compensation.
4. To take action with respect to any other matters that may be properly brought before the meeting and that might be considered by the stockholders of a Delaware corporation at their annual meeting.

We are not aware of any other business to come before the meeting. Only those stockholders of record as of the close of business on March 1, 2010, shall be entitled to notice of the meeting and to vote at the meeting and any adjournments or postponements of the meeting. In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the meeting, the meeting may be adjourned or postponed in order to permit our further solicitation of proxies.

By Order of the Board of Directors

Thomas A. Daiber  
President and  
Chief Executive Officer

St. Louis, Missouri  
March 29, 2010

PLEASE SIGN AND DATE THE  
ENCLOSED PROXY AND  
RETURN IT IN THE ENCLOSED  
ENVELOPE AS PROMPTLY AS  
POSSIBLE, WHETHER OR NOT  
YOU PLAN TO ATTEND THE  
MEETING IN PERSON. YOUR  
VOTE IS IMPORTANT TO  
ENSURE THAT A MAJORITY OF  
THE STOCK IS REPRESENTED.  
YOU ARE WELCOME TO

ATTEND THE MEETING, AND IF YOU DO YOU MAY VOTE YOUR STOCK IN PERSON IF YOU WISH. IF YOU LATER FIND THAT YOU MAY BE PRESENT AT THE MEETING OR FOR ANY OTHER REASON DESIRE TO REVOKE YOUR PROXY, YOU MAY DO SO AT ANY TIME PRIOR TO ITS EXERCISE. STOCKHOLDERS HOLDING SHARES IN BROKERAGE ACCOUNTS (“STREET NAME” HOLDERS) WHO WISH TO VOTE AT THE MEETING WILL NEED TO OBTAIN A PROXY FROM THE INSTITUTION THAT HOLDS THEIR SHARES.

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## PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation by the board of directors of Centru Financial Corporation of proxies to be voted at the annual meeting of stockholders to be held at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 28, 2010, at 8:00 a.m., local time, or at any adjournments or postponements of the meeting.

Centru Financial Corporation, a Delaware corporation, is a regional financial services company based in St. Louis, Missouri which has one bank subsidiary. Our offices serve a market area which extends from the far western and southern suburbs of the Chicago metropolitan area across Central and Northern Illinois down to the metropolitan St. Louis area.

This proxy statement and the accompanying notice of meeting and proxy are first being mailed to holders of shares of our common stock, par value \$1.00 per share, on or about March 29, 2010 to stockholders of record as of March 1, 2010. We are required to file an annual report, called a Form 10-K, with the SEC. A copy of Form 10-K for the fiscal year ended December 31, 2009 is enclosed for your reference.

### Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting

The proxy statement and annual report to security holders are available in the investor relations section of our website at [www.centru.com](http://www.centru.com).

### Voting Rights and Proxy Information

The board of directors has fixed the close of business on March 1, 2010, as the record date for the determination of stockholders entitled to notice of, and to vote at, the annual meeting. Our transfer books will not be closed between the record date and the date of the annual meeting. The board of directors hopes that all stockholders can be represented at the annual meeting. Whether or not you expect to be present, please sign and return your proxy in the enclosed self-addressed, stamped envelope. Stockholders giving proxies retain the right to revoke them at any time before they are voted by written notice of revocation to the secretary of Centru Financial Corporation and stockholders present at the meeting may revoke their proxy and vote in person.

The shares represented by each valid proxy received in time will be voted at the annual meeting and, if a choice is specified on the proxy, it will be voted in accordance with that specification. If no instructions are specified in a signed proxy returned to the company, the shares represented thereby will be voted FOR the election of the directors listed in the enclosed proxy, FOR approval of the independent auditors and FOR the non-binding executive compensation proposal. If any other matters are properly presented at the annual meeting, including, among other things, consideration of a motion to adjourn the meeting to another time or place, the individuals named as proxies and acting thereunder will have the authority to vote on those matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. If the annual meeting is adjourned or postponed, a proxy will remain valid and may be voted at the adjourned or postponed meeting. As of the date of printing of this proxy statement, we do not know of any other matters that are to be presented at the annual meeting other than the election of three Class III directors, ratification of the company's independent auditors and the non-binding executive compensation proposal.

Stockholders giving proxies retain the right to revoke them at any time before they are voted by written notice of revocation to the secretary of Centru Financial Corporation or by a later executed proxy. Attendance at the annual meeting will not automatically revoke a proxy, but a stockholder attending the annual meeting may request a ballot and vote in person, thereby revoking a prior granted proxy.



On March 1, 2010, we had 6,043,176 issued and outstanding shares of common stock. For the election of directors, and for all other matters to be voted upon at the annual meeting, each share of common stock is entitled to one vote. A majority of the outstanding shares of the common stock must be present in person or represented by proxy to constitute a quorum for purposes of the annual meeting. Abstentions and broker non-votes (i.e., shares held by brokers in street name, voting on certain matters due to discretionary authority or instructions from the beneficial owners but not voting on other matters due to lack of authority to vote on such matters without instructions from the beneficial owner) will be counted for purposes of determining a quorum but will not count toward the determination of whether such matters are approved or directors are elected. Directors will be elected by a plurality of the votes present in person or represented by proxy at the meeting and entitled to vote. In all other matters, the affirmative vote of the majority of shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote on the subject matter shall be required to constitute stockholder approval.

#### I. ELECTION OF DIRECTORS

We have a staggered board of directors, divided into three classes. One class is elected annually to serve for three years. At the annual meeting, our stockholders will be entitled to elect three Class III directors for terms of three years or until their successors are elected and qualified. Each of the nominees for election as Class III directors are incumbent directors. Our board of directors has reviewed the independence of the nominees for election to the board and the independence of the incumbent directors in accordance with the standards of the Nasdaq Stock Market. In accordance with such review, the board of directors has determined that each of Messrs. Breipohl, Ganim, Griffith, McDonnell, Shinkle, Smith and Sullivan are independent under those standards.

The proxy provides instructions for voting for all director nominees or for withholding authority to vote for one or more director nominees. Unless instructed to the contrary, the persons acting under the proxy which we are soliciting will vote for the nominees listed below. In the event, however, that any nominee shall be unable to serve, which is not now contemplated, the proxy holders reserve the right to vote at the annual meeting for a substitute nominee.

#### Information About Directors and Nominees

Set forth below is information, current as of March 1, 2010, concerning the nominees for election and for the other directors whose terms of office will continue after the meeting, including the age, year first elected a director and business experience of each during the previous five years, and the specific factors that led the board to conclude that the person should serve as a director. When identifying nominees for directors, the corporate governance and nominating committee seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. After reviewing the particular experience, qualification and skills of each nominee and director, the board concluded that each individual is qualified to serve as a director. Unless otherwise indicated, each person has held the positions shown for at least five years. The three nominees, if elected at the annual meeting, will serve as Class III directors for three-year terms, expiring in 2013. We recommend that you vote your shares FOR all three nominees.



NOMINEES

| Name<br>(Age)<br>Class III (term expires 2013)            | Position with Centrue Financial Corporation<br>and Principal Occupation  |
|---|--|
| <p>Thomas A. Daiber<br/>(52)<br/>Director since 2006</p>  | <p>Director, President and Chief Executive Officer of Centrue Financial Corporation and Centrue Bank (post-merger since November 2006 and pre-merger since October 2003). As the CEO of the Company, Mr. Daiber’s qualifications and experience includes over 30 years of bank and financial services leadership. As the liaison between the board and management, Mr. Daiber’s leadership role within the organization allows him to provide the board with critical insight and perspective on key strategic business initiatives.</p>                     |
| <p>Mark L. Smith<br/>(60)<br/>Director since 2006</p>     | <p>Director of Centrue Financial Corporation and Centrue Bank (post-merger since November 2006 and pre-merger since 2001); President of Smith, Koelling, Dykstra &amp; Ohm, P.C., managing member of Solutions for Wealth Management, LLC and North Convent, LLC. As a Certified Public Accountant and business owner, Mr. Smith’s professional qualifications meet the SEC’s definition of a “financial expert,” while his local roots in one of the company’s key market areas provides him with a unique perspective on business development efforts.</p> |
| <p>Scott C. Sullivan<br/>(55)<br/>Director since 1996</p> | <p>Director of Centrue Financial Corporation and Centrue Bank; Attorney, Williams McCarthy LLP. As a licensed attorney and partner in an Illinois law firm, Mr. Sullivan’s professional qualifications and expertise in corporate law and commercial litigation allows him to provide important insight on complex company matters and to provide valuable guidance to the board and management.</p>   |

CONTINUING DIRECTORS

| Name<br>(Age)<br>Class I (term expires 2011)               | Position with Centrue Financial Corporation<br>and Principal Occupation  |
|--|--|
| <p>Walter E. Breipohl<br/>(56)<br/>Director since 1993</p> | <p>Director of Centrue Financial Corporation and Centrue Bank; Owner, Walter E. Breipohl &amp; Company. As a licensed real estate broker and business owner, Mr. Breipohl’s professional qualifications make him a valuable resource for the company’s credit activities, while his local roots in one of the company’s key market areas provides him with a unique perspective on business development efforts.</p> |

Randall E. Ganim  
(56)  
Director since 2006

Director of Centrue Financial Corporation and Centrue Bank (post-merger since November 2006 and pre-merger since 2005); CPA/Principal, Larson Allen, LLP (2009-present); President of Ganim, Meder, Childers & Hoering, P.C. (1986-2009). As a Certified Public Accountant and business owner, Mr. Ganim's professional qualifications meet the SEC's definition of a "financial expert," while his local roots in one of the company's key market areas provides him with a unique perspective on business development efforts.

| Name<br>(Age)                                      | Position with Centrue Financial Corporation<br>and Principal Occupation  |
|--|--|
| Dennis J. McDonnell<br>(67)<br>Director since 2000 | Director and Chairman of the Board of Centrue Financial Corporation; Director and Chairman of the Board of Centrue Bank since November 2006; Chairman, McDonnell Investment Management, LLC. With more than 40 years of investment industry experience, Mr. McDonnell's qualifications and experience includes significant executive leadership in the asset management and financial services industries and allows him to provide critical insight and guidance on the company's highest level strategic business decisions. |

Class II (term expires 2012)

|  |  |
|--|--|
| Michael A. Griffith<br>(51)<br>Director since 2006 | Director of Centrue Financial Corporation and Centrue Bank (post-merger since November 2006 and pre-merger since 2002); Private Investor (August 2008–present); founder and Chief Executive Officer of Aptuit, Inc. (2004-2008). Mr. Griffith's professional qualifications include significant executive and financial securities experience where he has served in roles varying from founder, CEO and CFO of international businesses and which allow him to provide broad insight on a variety of strategic business initiatives. Mr. Griffith also has over 10 years experience as a commercial bank lender, problem loan workout specialist and leveraged debt originator. |
|--|--|

|  |   |
|--|---|
| John A. Shinkle<br>(58)<br>Director since 1997 | Director of Centrue Financial Corporation and Centrue Bank; Senior Vice President, Stifel Nicolaus & Company, Inc. (2006-present); Executive Vice President and Director, Synovus Securities, (1986-2006). Mr. Shinkle's professional qualifications and experience with securities brokerage, investment banking, trading and investment advisory services allows him to provide important insight on various aspects of the company's investment and business strategies. |
|--|---|

All of our directors will hold office for the terms indicated, or until their respective successors are duly elected and qualified. There are no arrangements or understandings between Centrue Financial Corporation and any person pursuant to which any director has been selected. No member of the board of directors is related to any other member of the board of directors.

#### Separation of the Chairman and Chief Executive Officer Roles and Board Oversight of Risk

The chairman and chief executive officer roles are currently separate. While the company's by-laws permit the chairman and the chief executive officer to be the same person, we believe separation of these roles provides important checks and balances for the CEO role and those areas reporting to the board. The board has delegated to the audit committee the responsibility of implementing internal audit controls and maintaining the safety, soundness and

integrity of the institution by properly mitigating and managing risk. On a daily basis, these duties are the responsibilities of the chief risk officer. This individual has a direct reporting relationship to the chairman of the audit committee who, in turn, provides regular updates to the full board. In addition, the board receives regular updates from key business leaders in the organization on critical business issues as part of the board's oversight function. From a leadership perspective, the board does interact periodically with key members of management through their participation in various board committee meetings. However, most routine matters are delegated to the CEO.

## Board Committees and Meetings

Our board of directors generally meets on a quarterly basis. The board of directors met twelve times during 2009. During 2009, all directors attended at least 75 percent of the meetings of the board and the committees on which they served. Our board of directors has standing executive and compensation, corporate governance and nominating and audit committees.

### Executive and Compensation Committee

The members of the executive and compensation committee are Messrs. Griffith (Chair), McDonnell and Shinkle. The committee met four times during 2009. The executive and compensation committee adopted a charter on June 16, 2005, which was last revised in January 2009. The executive and compensation committee charter combines the duties of both the executive committee and the compensation committee and is available on the company's website at [www.centrue.com](http://www.centrue.com).

The executive and compensation committee is organized, and its members appointed, by the board of directors to carry out the responsibilities of the board of directors relating to the effective administration of the company's executive compensation and benefits programs as well as the general oversight of the company's compensation program for all company employees. The committee responsibilities include reviewing the performance of the CEO and all compensation matters for our executive officers. The executive committee also has the authority to act on other matters, not related to compensation, in between meetings of the board of directors. The committee is comprised of three independent directors and is responsible for providing oversight to ensure that the company's compensation incentives and benefits are competitive and are aligned with company goals so that such goals can be successfully achieved.

The executive and compensation committee does not generally delegate any matters relating to the compensation and benefits of named executive officers to any other party other than to the full board of directors. Items of daily management and decisions relating to company-wide compensation and benefits, not specifically targeting named executive officers, is delegated to company management to the extent that it does not result in decisions that may materially benefit named executive officers in comparison with the overall employee population. The company's chief executive officer may recommend or provide information for consideration regarding the compensation and benefits of named executive officers to members of the board of directors.

In the course of determining base salaries and total compensation for our executive officers, the committee reviews data for institutions which are deemed to be the company's peer group which is discussed in further detail in the Compensation Discussion and Analysis.

The executive and compensation committee also periodically reviews director compensation. This oversight may be done in conjunction with or as delegated to the corporate governance committee or the full board of directors.

### Audit Committee

The audit committee is responsible for assisting the board of directors with oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence and (4) the performance of our internal accounting function and independent auditors. The audit committee has the direct authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors, and is an "audit committee" for purposes of Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the audit committee are Messrs. Smith (Chair), Breipohl, Ganim and Sullivan. The committee met ten times during 2009.



## Corporate Governance and Nominating Committee

Our board of directors has a corporate governance and nominating committee which consists of three directors. Messrs. McDonnell (Chair), Smith and Sullivan are the current members of this committee. The corporate governance and nominating committee identifies individuals to become board members and selects, or recommends for the board's selection, director nominees to be presented for stockholder approval at the annual meeting of stockholders or to fill any vacancies. The corporate governance and nominating committee met four times during 2009. Since members of this committee are standing for election at this annual meeting, the board of directors performed the nominating committee functions for this meeting. Due to the death of Richard J. Berry and the resignation of Michael J. Hejna in 2009, the board of directors authorized the restaggering of the classes of directors. Mr. McDonnell was appointed as a Class I director with a term expiring 2011.

Our board of directors has adopted a written charter for the corporate governance and nominating committee. The charter and principles are available on the company's website at [www.centru.com](http://www.centru.com). Based upon the review described above under the section "Election of Directors", the board of directors has determined that each of the members of our corporate governance and nominating committee is independent under the applicable standards of the Nasdaq Stock Market.

The corporate governance and nominating committee will consider director nominees recommended by stockholders. A stockholder who wishes to recommend a person or persons for consideration as a nominee for election to the board of directors must send a written notice by mail, c/o corporate governance and nominating committee, Centru Financial Corporation, 7700 Bonhomme Avenue, St. Louis, Missouri 63105, that sets forth: (1) the name, address (business and residence), date of birth and principal occupation or employment (present and for the past five years) of each person whom the stockholder proposes to be considered as a nominee; (2) the number of shares of the common stock beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by each such proposed nominee; (3) any other information regarding such proposed nominee that would be required to be disclosed in a definitive proxy statement to stockholders prepared in connection with an election of directors pursuant to section 14(a) of the Securities Exchange Act of 1934; and (4) the name and address (business and residential) of the stockholder making the recommendation and the number of shares of the common stock beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by the stockholder making the recommendation.

We may require any proposed nominee to furnish additional information as may be reasonably required to determine the qualifications of such proposed nominee to serve as a director of Centru Financial Corporation. Stockholder recommendations will be considered only if received no less than 120 days or no more than 150 days before the one year anniversary of the date of the proxy statement sent to stockholders in connection with the previous year's annual meeting of stockholders. The corporate governance and nominating committee will consider any nominee recommended by a stockholder in accordance with the preceding paragraph under the same criteria as any other potential nominee.

While the corporate governance and nominating committee seeks board members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity, the company does not have a formal written diversity policy for director nominations. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions they can make to the board in performing its oversight responsibilities. The corporate governance and nominating committee uses a subjective process for identifying and evaluating nominees for director, based on the information available to, and the subjective judgments of, the members of the corporate governance and nominating committee and our then current needs. We do not believe there would be any difference in the manner in which the committee evaluates nominees based on whether the nominee is recommended by a stockholder or not.





## Code of Ethics

The company has adopted a code of ethics that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of ethics contains written standards that we believe are reasonably designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications we make;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the code to an appropriate person or persons named in the code; and
- Accountability for adherence to the code.

## Stockholder Communications with the Board and Policy for Director Attendance at Annual Meetings

Our board of directors has a process for stockholders to send communications to the board of directors, its executive and compensation committee, its corporate governance and nominating committee or its audit committee, including complaints regarding accounting, internal accounting controls, or auditing matters. Communications can be sent to the board of directors, its executive and compensation committee, its corporate governance and nominating committee or its audit committee or specific directors either by regular mail to the attention of the board of directors, its executive and compensation committee, its corporate governance and nominating committee, its audit committee or specific directors, at our principal executive offices at 7700 Bonhomme Avenue, St. Louis, Missouri 63105. All of these communications will be reviewed by our secretary (1) to filter out communications that our secretary deems, in his or her reasonable judgment, are not appropriate for our directors, such as spam and communications offering to buy or sell products or services, and (2) to sort and relay the remainder to the appropriate committee or directors.

We expect and encourage all of our directors and nominees for election as directors to attend the annual meeting of stockholders, absent a compelling reason. All of our directors at the time of the 2009 annual meeting attended that meeting.

## Compensation of Directors

Each non-employee Centrue Financial Corporation director received an annual retainer of \$10,000, and each non-employee Centrue Bank director received an annual retainer of \$5,000. Additionally, the audit committee chairman received an annual retainer of \$40,000 and audit committee members received an annual retainer of \$5,000. Each non-employee Centrue Financial Corporation director earned a fee of \$1,750 for each board meeting attended and \$750 for each committee meeting attended, and each non-employee Centrue Bank director earned \$1,500 for each board meeting attended, \$1,000 for each credit committee meeting attended and \$750 for all other committee meetings attended. Additionally, the credit committee chairman received an annual retainer of \$10,000. Non-employee directors may also receive an annual grant of options to purchase shares of common stock under the company's 2003 Stock Option Plan. The 2003 Stock Option Plan provides for annual formula grants to each of our directors of options to purchase shares of common stock with an exercise price of not less than 100% of the then current market price of the common stock on the date of the grant. Such previously issued options were exercisable over five years. During 2009, non-employee directors were granted 5,000 in stock options. In December, 2009, the board of directors approved a 35% reduction in director compensation for 2010.



## Director Compensation

| Name                    | Fees<br>Earned or<br>Paid in<br>Cash<br>(\$)(1) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$)(2) | Non-Equity<br>Incentive Plan<br>Compensation<br>(\$) | Change in<br>Pension<br>Value and<br>Nonqualified<br>Deferred<br>Compensation<br>Earnings | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|-------------------------|---|-------------------------|-----------------------------|--|---|-----------------------------------|---------------|
| Richard J.<br>Berry (3) | \$ 63,250                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 77,250     |
| Walter E.<br>Breipohl   | \$ 78,334                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 92,334     |
| Randall E.<br>Ganim     | \$ 76,584                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 90,584     |
| Michael A.<br>Griffith  | \$ 39,000                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 53,000     |
| Michael J.<br>Hejna (4) | \$ 41,250                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 55,250     |
| Dennis J.<br>McDonnell  | \$ 40,500                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 54,500     |
| John A.<br>Shinkle      | \$ 45,500                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 59,500     |
| Mark L. Smith           | \$ 87,000                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 101,000    |
| Scott C.<br>Sullivan    | \$ 50,334                                       | —                       | \$ 14,000                   | —  | —   | —                                 | \$ 64,334     |

- (1) Includes deferrals of director fees earned in 2009 pursuant to the Centrue Financial Corporation Non-Employee Directors' Deferred Compensation Plan, which became effective January 1, 2007. The Plan allows participants to defer up to 100% of director fees earned. Participant deferrals are invested in a phantom account representing units of Centrue Financial Corporation common stock. As of December 31, 2009, participants in the Plan held the following shares in their accounts: Mr. Ganim-28,804 shares; Mr. Griffith-1,392 shares; Mr. Smith-15,926 shares; and Mr. Sullivan-19,511 shares. Also includes fees related to bank committees including the asset liability management committee, compliance committee, credit committee, Sarbanes-Oxley steering committee, technology committee, trust administrative committee and annual retainer for the credit committee chairman.
- (2) Stock option values are based on the full Black-Scholes model for the fair market value of the options. Stock option awards issued in 2009 for the above directors vested at issuance. The amount reflected above is the grant date market values of the option awards made in 2009. As of December 31, 2009, the directors listed in the table above have the following number of option awards outstanding: Mr. Berry-32,500 shares; Mr. Breipohl-32,500 shares; Mr. Ganim-21,000 shares; Mr. Griffith-69,000 shares; Mr. Hejna-30,000 shares; Mr. McDonnell-22,500 shares; Mr. Shinkle-32,500 shares; Mr. Smith-39,000 shares and Mr. Sullivan-32,500 shares.
- (3) Mr. Berry passed away on December 16, 2009.

- (4) Mr. Hejna resigned from the Centrue Financial Corporation and Centrue Bank boards on June 16, 2009. Mr. Hejna was a participant of the Centrue Financial Corporation Non-Employee Directors' Deferred Compensation Plan and all phantom shares acquired from director fees earned were distributed to him in the form of stock on June 22, 2009.

## II. ADVISORY (NON-BINDING) VOTE RATIFYING INDEPENDENT AUDITORS

The audit committee of the board has selected Crowe Horwath LLP as our independent auditors for our fiscal year ending December 31, 2010. We are submitting the selection of independent auditors for stockholder ratification at the annual meeting. A representative of Crowe Horwath LLP will be present at the annual meeting and will be available to respond to appropriate questions from stockholders. Crowe Horwath LLP also served as our independent auditors for our fiscal year ended December 31, 2009.

Our organizational documents do not require that our stockholders ratify the selection of our independent auditors. If our stockholders do not ratify the selection, the audit committee will reconsider whether to retain Crowe Horwath LLP, but may retain them nonetheless. Even if the selection is ratified, the audit committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the company.

The board of directors unanimously recommends a vote “FOR” approval of the independent auditors.

## III. ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009. Among other things, the broad sweeping legislation requires that “TARP recipients during the period in which any obligation arising from financial assistance provided under the TARP remains outstanding shall permit a separate [nonbinding] shareholder vote to approve the compensation of executives, as disclosed pursuant to the compensation disclosure rules of the Commission.” The non-binding vote is required annually at each annual or other meeting of shareholders during the period that any obligation arising from financial assistance provided under the TARP remains outstanding.

On January 9, 2009, the company completed the sale of \$32.7 million of preferred stock and a warrant to purchase up to 508,320 shares of the company’s common stock to the U.S. Treasury under the TARP Program. As a result, the company is submitting this nonbinding proposal for consideration by shareholders in compliance with Section 7001 of the American Recovery and Reinvestment Act of 2009.

This proposal, commonly known as a “Say-on-Pay” proposal, gives you as a shareholder the opportunity to endorse or not endorse our executive pay program and policies through the following resolution:

“Resolved, that the shareholders approve the executive compensation of the company, as described in the “Compensation Discussion and Analysis” and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this proxy statement. “

Because your vote is advisory, it will not be binding upon the board. However, the executive and compensation committee will take into account the outcome of the vote when considering future executive compensation arrangements.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” APPROVAL OF THE EXECUTIVE COMPENSATION OF THE COMPANY, AS DESCRIBED IN THE “COMPENSATION DISCUSSION AND ANALYSIS”, AND THE TABULAR DISCLOSURE REGARDING NAMED EXECUTIVE OFFICER COMPENSATION (TOGETHER WITH THE ACCOMPANYING NARRATIVE DISCLOSURE) IN THIS PROXY STATEMENT.**



SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock at March 1, 2010, by each person known by us to be the beneficial owner of more than 5% of the outstanding common stock, by each director or nominee, by each executive officer named in the summary compensation table which can be found later in this proxy statement, and by all of our directors and executive officers as a group.

The following table is based on information supplied to us by the directors, officers and stockholders described above. The company has determined beneficial ownership in accordance with the rules of the SEC. Shares of common stock subject to options that are either currently exercisable or exercisable within 60 days of March 1, 2010 are treated as outstanding and beneficially owned by the option holder for the purpose of computing the percentage ownership of the option holder. However, these shares are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The table lists applicable percentage ownership based on 6,043,176 shares outstanding as of March 1, 2010. Unless otherwise indicated, the address for each person listed below is 7700 Bonhomme Avenue, St. Louis, Missouri 63105.

| Name of Individual or<br>Number of Individuals in Group                           | Amount and Nature<br>of<br>Beneficial<br>Ownership(1)(2)(3) |      |       | Percent<br>of Class |
|---|---|------|-------|---------------------|
| <b>5% Stockholders</b>  |   |      |       |                     |
| Wayne W. Whalen<br>155 N. Wacker Drive, Suite 2700<br>Chicago, Illinois 60606     | 879,396   | (4)  | 14.55 | %                   |
| Tontine Partners<br>55 Railroad Avenue, 1st Floor<br>Greenwich, Connecticut 06830 | 391,534   |      | 6.48  | %                   |
| Royce & Associates, LLC<br>745 Fifth Avenue<br>New York, New York 10151           | 322,555   |      | 5.34  | %                   |
| <b>Directors and Nominees</b>   |   |      |       |                     |
| Walter E. Breipohl  | 57,329  |      |       | *                   |
| Thomas A. Daiber  | 145,643   | (5)  | 2.41  | %                   |
| Randall E. Ganim  | 88,584  | (6)  | 1.47  | %                   |
| Michael A. Griffith   | 112,369   | (7)  | 1.86  | %                   |
| Dennis J. McDonnell   | 705,171   | (8)  | 11.67 | %                   |
| John A. Shinkle   | 46,949  | (9)  |       | *                   |
| Mark L. Smith   | 73,880  | (10) | 1.22  | %                   |
| Scott C. Sullivan   | 67,979  | (11) | 1.12  | %                   |
| <b>Other Named Executive Officers</b>   |   |      |       |                     |

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|   |           |      |       |   |
|---|-----------|------|-------|---|
| Roger D. Dotson   | 14,898    | (12) | *     |   |
| Steven E. Flahaven  | 32,159    | (13) | *     |   |
| Everett J. Solon  | 77,196    | (14) | 1.28  | % |
| Kurt R. Stevenson   | 37,855    | (15) | *     |   |
| All directors and all executive officers as a group<br>(20 persons) | 1,556,018 | (16) | 25.75 | % |

\* Less than 1%.

- (1) The information contained in this column is based upon information furnished to us by the persons named above and the members of the designated group. Amounts reported include shares held directly as well as shares which are held in retirement accounts and shares held by members of the named individuals' families or held by trusts of which the named individual is a trustee or substantial beneficiary, with respect to which shares the respective individual may be deemed to have sole or shared voting and/or investment power. The nature of beneficial ownership for shares shown in this column is sole voting and investment power, except as set forth in the footnotes below. Inclusion of shares shall not constitute an admission of beneficial ownership or voting and investment power over included shares.



- (2) Amounts shown include shares obtainable as of March 1, 2010 (or obtainable within 60 days of March 1, 2010) through the exercise of options to purchase shares of common stock granted under the company's stock option plans as follows: Mr. Breipohl-32,500 shares; Mr. Daiber-75,900 shares; Mr. Ganim-19,000 shares; Mr. Griffith-67,000 shares; Mr. McDonnell-22,500 shares; Mr. Shinkle-32,500 shares; Mr. Smith-37,000 shares; Mr. Sullivan-32,500 shares; Mr. Dotson-9,000 shares; Mr. Flahaven-7,000 shares; Mr. Solon-21,207 shares and Mr. Stevenson-23,762 shares. Option holders have the sole power to exercise their respective options and would also be entitled to exercise sole voting and investment power over the shares issued upon the exercise of such options.
- (3) Amounts shown also include phantom shares obtainable as of March 1, 2010 (or obtainable within 60 days of March 1, 2010) in accordance with the terms of the company's non-employee directors' deferred compensation plan and the executive deferred compensation plan to participants as follows: Mr. Daiber-9,342 shares; Mr. Ganim-30,507 shares; Mr. Griffith-1,392 shares; Mr. Smith-15,926 shares; Mr. Sullivan-19,511; Mr. Flahaven-7,010 shares; Mr. Solon-3,922 shares and Mr. Stevenson-4,899 shares.
- (4) Includes shares held by Mr. Whalen's wife, Paula Wolff, Mr. Whalen's children, the WPW Family Foundation and WPW Associates, L.P., a family limited partnership, with shared voting and investment power over such shares. The amount above also includes approximately 86,021 shares which are issuable upon the conversion of 1,381 shares of Centrue Financial Corporation convertible preferred stock held by Mr. Whalen.
- (5) Includes 16,968 shares held jointly by Mr. Daiber and his spouse, over which voting and investment power is shared and 2,470 shares held by Mr. Daiber's spouse, over which Mr. Daiber has no voting or investment power. Also includes 13,195 shares held by Mr. Daiber in his 401(k) retirement plan.
- (6) All shares are held jointly by Mr. Ganim and his spouse.
- (7) Includes 19,777 shares held jointly by Mr. Griffith and his spouse.
- (8) Includes shares held jointly by Mr. McDonnell and his wife over which voting and dispositive power is shared. Also includes shares held in trust for which Mr. McDonnell is trustee. The amount above also includes approximately 86,021 shares which are issuable upon the conversion of 1,381 shares of Centrue Financial Corporation convertible preferred stock held by Mr. McDonnell. Mr. McDonnell's address is 1515 W. 22nd Street, 11th Floor, Oak Brook, Illinois 60523.
- (9) Includes 5,870 shares held in trust for which Mr. Shinkle serves as trustee and 1,079 shares held jointly by Mr. Shinkle and his spouse, over which Mr. Shinkle has voting and investment power. Also includes 100 shares held by Mr. Shinkle's spouse, over which Mr. Shinkle has no voting or investment power.
- (10)

Includes 11,366 shares held jointly by Mr. Smith and his spouse, over which voting and investment power is shared and 480 shares held by Mr. Smith's spouse, over which Mr. Smith has no voting or investment power. Also includes 3,240 shares held in a trust in which Mr. Smith serves as trustee, over which he has sole voting and investment power, however, he does not have any financial interest over those shares and disclaims any beneficial interest.

- (11) Includes 1,687 shares held by Mr. Sullivan's spouse and 1,000 shares held by members of Mr. Sullivan's family, over which shares Mr. Sullivan has shared voting and investment power.
- (12) Includes 5,898 shares held by Mr. Dotson in his 401(k) retirement plan.
- (13) Includes 13,672 shares held by Mr. Flahaven in his 401(k) retirement plan. Mr. Flahaven's employment contract was not renewed for 2010 and he left the company on January 31, 2010.
- (14) Includes 9,695 shares held jointly by Mr. Solon with his spouse, over which shares Mr. Solon has shared voting and investment power and 30,932 shares held by Mr. Solon in his 401(k) retirement plan.
- (15) Includes 425 shares held by Mr. Stevenson jointly with his spouse, over which shares Mr. Stevenson has shared voting and investment power. Also includes 7,869 shares held by Mr. Stevenson in his 401(k) retirement plan.
- (16) Footnotes (2), (3) and (5) through (15) are incorporated herein.

#### Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers, directors and persons who own more than 10% of our common stock file reports of ownership and changes in ownership with the Securities and Exchange Commission. They are also required to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms, and, if appropriate, representations made to us by any reporting person concerning whether a Form 5 was required to be filed for 2009, we are not aware that any of our directors, executive officers or 10% stockholders failed to comply with the filing requirements of Section 16(a) during 2009, with the exception of Mr. Daiber who failed to timely file one Form 4 in connection with the purchase of company common stock by his spouse.

## Report of Executive and Compensation Committee

The executive and compensation committee has reviewed and discussed the Compensation Discussion and Analysis (the "CD&A") for the year ended December 31, 2009 with management. Based on the review and discussions, the executive and compensation committee recommended to the board of directors that the CD&A be included in the company's annual report on Form 10-K for the year ended December 31, 2009 and the company's 2010 proxy statement for filing with the SEC.

The committee certifies that:

- (1) It has reviewed with senior risk officers the senior executive officer (SEO) compensation plans and has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of Centruet Financial Corporation;
- (2) It has reviewed with senior risk officers the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to Centruet Financial Corporation; and
- (3) It has reviewed the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of Centruet Financial Corporation to enhance compensation of any employee.

## Our SEO and Employee Compensation Plans.

The company's SEO compensation plans are:

- (1) the employment agreements that we have with our senior executive officers, as described in greater detail later in this proxy statement;
- (2) the Centruet Financial Corporation 2003 Stock Option Plan, as amended and restated;
- (3) the Centruet Financial Corporation Executive Deferred Compensation Plan, effective as of January 1, 2008; and
- (4) our 401(k), group health, dental, vision, life, dependent life, short and long-term disability insurance and flexible spending account plans.

Our employee compensation plans, as defined in the U.S. Treasury's Interim Final Rule issued by the U.S. Treasury under the TARP Capital Purchase Program, include all of the SEO compensation plans set forth above, with the exception of the employment agreements.

Modifications to our SEO and Employee Compensation Plans which Discourage Manipulation of Reported Earnings and Unnecessary and Excessive Risk Taking. The SEO compensation plans and employee compensation plans are modified by (1) Omnibus Agreements entered into with the senior executive officers; and (2) Waivers signed by the senior executive officers.

Among other things, the Omnibus Agreements provide that:

- (1) Any bonus or incentive compensation paid to the executive during the period that the U.S. Treasury owns the TARP securities will be subject to recovery or “clawback” by the company or its affiliates if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, all within the meaning of Section 111(b) of the EESA and the CPP Guidance; and
- (2) In the event that the executive and compensation committee of the board of directors of the company determines that any incentive compensation arrangement pursuant to which the executive is or may be entitled to a payment encourages the executive to take unnecessary and excessive risks that threaten the value of the financial institution within the meaning of §30.9 Q-4 of 31 C.F.R. Part 30, the committee, on behalf of the company, shall take such action as is necessary to amend such incentive compensation arrangements to eliminate such encouragement, and the executive’s incentive compensation will be determined pursuant to such amended arrangements.

The waivers voluntarily waive any claim against the company for any changes to their compensation or benefits, as required to comply with regulations.

In addition, the executive and compensation committee of the board of directors of the company is cognizant of Section 111(b)(3)(D) of EESA, as amended, which expressly prohibits the company from paying or accruing any bonus, retention award, or incentive compensation during the period in which any obligation arising from financial assistance provided under TARP remains outstanding (with certain exceptions including long-term restricted stock pursuant to specified conditions).

Our Code of Ethics and our Employment Agreements. Our employment agreements with our senior executive officers contain terms which provide that the agreement may be terminated “for cause” for, among other things, the willful engaging in illegal conduct or gross misconduct which is materially and demonstrably injurious to the business or reputation of the company.

In addition to the terms of our employment agreements, the company has a detailed code of ethics which expressly prohibits, among other things, providing materially false or misleading financial information, dishonesty and fraud. Violations of the code of ethics may result in disciplinary action up to and including immediate termination of employment.

Our Compensation Philosophy and Practices. In addition to the various agreements that we have with our executive officers, the modifications to those agreements as described immediately above, and our code of ethics, all of which have the effect of discouraging unnecessary and excessive risk-taking and the manipulation of reported earnings, our compensation philosophy and practices also serve to further these objectives. The discussions that appear under the captions “Philosophy,” “Elements of Compensation and Determination of Payments,” “Compensation of Chief Executive Officer,” and “Compensation of Other Executive Officers” under our Compensation Discussion and Analysis are hereby incorporated by reference.

Conclusion. As a result of the foregoing, the executive and compensation committee of the board of directors of the company believes that our CEO compensation plans do not encourage our senior executive officer to take unnecessary and excessive risks that threaten the value of Centru Financial Corporation. In addition, the executive and compensation committee of the board of directors of the company believes that our employee compensation plans do not encourage the manipulation of reported earnings to enhance the compensation of any Centru employee.

Respectively Submitted,  
2009 Executive and Compensation  
Committee

Michael A. Griffith, Chair  
Dennis J. McDonnell  
John A. Shinkle

#### Executive and Compensation Committee Interlocks

The members of the executive and compensation committee are set forth in the preceding section. There are no members of the executive and compensation committee who were officers or employees of the company, former officers of the company or its subsidiaries or had any relationship otherwise requiring disclosure here.



## COMPENSATION DISCUSSION AND ANALYSIS

### Philosophy

The executive and compensation committee's principal responsibilities include acting upon matters delegated to the committee by the full board and ensuring the alignment of compensation with the strategic objectives of the organization.

The executive and compensation committee recognizes that the company's success is largely dependent on the election, training and development of top caliber executive, managerial and professional talent. Ongoing investment in human capital is expected to produce favorable long-term returns to our customers and shareholders by offering extensive and progressive services that provide a unique and pleasant banking experience to an ever-growing customer base. The company has positioned itself for future balance sheet growth and enhanced operating performance that is dependent upon many factors including its ability to retain existing and attract new customers, maintain strong asset quality, continue to improve operational efficiencies, offer comprehensive financial products and services, and enhance technological capabilities.

The committee has established an objective that the company's executives be among the most highly qualified and talented professionals available in their respective areas of expertise, when compared to a peer group that represents competition for business and talent. (Information on our peer group is contained below under the caption "Compensation of the Chief Executive Officer.") The committee evaluates the performance of the chief executive officer and other executive officers of the organization considering input from other board members, the chief executive officer and the of human resources in order to evaluate the company's progress in relation to this objective.

The company believes successful compensation programs link business and compensation strategies with thought processes that address a broad array of program influences. This approach to strategy is a core value as it relates to how the company competes with other organizations while meeting the needs of its customers.

### Elements of Compensation and Determination of Payments

The executive and compensation committee generally annually reviews and approves goals and objectives relevant to the incentive compensation plans of the chief executive officer and other executive officers of the organization. For the purposes of the committee's oversight, executive officers include those individuals who are the annually named executive officers of the company. No formal incentive compensation program was rolled out for 2009 due to the company's financial performance projections.

In determining the compensation and benefits of our executive officers, the following factors are generally taken into consideration: the performance of the executive officers in achieving short and long-term goals; payment of compensation commensurate with the ability and expertise of the executive officers; and payment of compensation that is competitive with similar companies (see "Executive and Compensation Committee" above). The committee considers the foregoing factors, as well as others, in determining the compensation and benefits plans of our executive officers.

In the course of determining base salaries and total compensation for our executive officers, the committee reviews data for institutions which are deemed to be the company's peer group. In determining base salaries throughout 2009, the committee considered peer data as compiled and reported by independent consultant Amalfi Consulting.

The following elements include factors that will be considered when reviewing executive officer compensation and benefits: base salary, bonus, long-term incentives, officer benefits, retirement plan funding, perquisites and group

insurance benefits.

The following is a general description of how each of these elements applies to our executive officers.

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**Base Salary** – In determining the base salary of executive officers, the executive and compensation committee defines base salary as the annualized regular cash compensation of an employee, excluding bonus awards, company contributions to employee benefits plans, or other compensation not designated as salary. The executive and compensation committee considers the individual job performance of the executive officers, as well as overall corporate performance, and the median salaries as published by our peers and other third party consultants. Base salaries are generally reviewed and considered for adjustment on an annual basis, unless circumstances exist in which the executive is assuming a scope and degree of responsibilities materially greater or lesser than the executive's present duties, or it is deemed that an adjustment is needed to meet marketplace demands.

**Short-Term Incentive Compensation (Cash Bonus)** – The short-term incentive compensation program is intended to sustain management's focus on the company's requirement for strategic long-range planning by encouraging attainment of annual profitability goals. The plan is designed to attract, develop, retain and reward well-qualified management and executive staff. No formal incentive compensation program was rolled out for 2009 due to the company's financial performance projections.

**Long-Term Incentive Compensation** – The company's primary long-term incentive vehicle is stock options. Inclusion in the company's long-term incentive program is based on the recommendation of the chief executive officer and the executive and compensation committee and is approved by the board of directors. No specific formula is used in determining the amount and frequency of long-term incentives. However, the committee considers factors such as earnings per share, return on equity and total return to shareholders and generally reserves long-term incentive grants to motivate and reward extraordinary performance that may positively impact the company's long-term objectives. Restricted stock awards may also be utilized.

**Officer Benefits** – Officer benefits programs focus on two general types of officer benefits: nonqualified retirement benefits and officer life insurance. Officer benefits are considered to be a critical component in attracting, retaining and motivating key talent.

On January 1, 2008, the Centrue Financial Corporation Executive Deferred Compensation Plan took effect. Participants may defer up to 50% of salary and up to 100% of bonus (beginning with bonuses earned in 2008). The plan is available to members of the senior management team and other select individuals deemed to meet the criteria of "top hat" plan participants. Participant deferrals are invested in a phantom account representing units of Centrue Financial Corporation common stock. The company may make discretionary matching contributions with respect to a portion of the participant's deferral and discretionary contributions that are not related to the participant's deferrals. The company match, and any discretionary employer contributions, are credited quarterly (with the exception of an annual 3% contribution to those officers who would have otherwise received a 3% safe harbor 401(k) match of deferred dollars) and invested per the participant's direction into one or more of the following: Centrue Financial Corporation common stock (phantom units), Vanguard Lifestyle Income, Vanguard Lifestyle Conservative Growth, Vanguard Lifestyle Moderate Growth, Vanguard Lifestyle Growth. Participants are always 100% vested in their own deferrals. Company contributions (with the exception of an annual 3% contribution to those officers who would have otherwise received a 3% safe harbor 401(k) match of deferred dollars) vest after five years (e.g. 2008 company contributions become vested on 12/31/13 and 2009 contributions become vested on 12/31/14). No trust was established for the plan. However, the plan is structured to allow for a rabbi trust. Participants may elect to receive distributions upon separation of service or upon normal retirement age (65) in a lump sum, over a five-year period or over a 10-year period. Participants have the option to take a distribution upon a change of control. Participants may elect to receive plan payments in cash, shares of company stock or a combination of both.

Several officers, not including our chief executive officer, are currently covered by a bank owned life insurance (BOLI) policy. A small group of officers with BOLI are also covered by a split dollar plan which, subject to the achievement of certain conditions, pays out a portion of death benefits to the executives' named beneficiaries.

Retirement Benefits- The executive and compensation committee considers various benefits, including retirement benefits, in determining compensation. The primary retirement vehicle is the company's 401(k) plan which allows eligible participants to defer compensation up to annual IRS limits. In 2009, all eligible participants received a safe harbor contribution equal to 3% of their total eligible compensation regardless of whether participants elected to make salary deferrals. For 2010, the company has adopted a provision which allows the company to decide later in the plan year, after assessing company performance, whether it will make a 401(k) matching contribution.

Company executives participate in retirement plan programs in a manner consistent with plan provisions covering other employees. Currently, the company does not provide executives with any supplemental executive retirement plan benefits.

Perquisites – Executive officers may have a limited number of perquisites made available to them. The main perquisites that may be offered are reimbursement of business expenses and employment or change-in-control agreements. A detailed explanation of employment agreements is provided in the section designated as “Employment Agreements and Other Arrangements”.

Group Insurance Benefits- The company offers a comprehensive employee benefits package for all eligible employees which includes group health, dental, vision, life, dependent life, short and long-term disability insurance and a flexible spending account plan. Executive officers are afforded the same participation and rewards terms as all other eligible staff.

Total Rewards - The company considers compensation a single package consisting of the parts described in this statement. When viewed in this manner, the organization is positioned to: 1) establish specific goals for each form of compensation, 2) project funding requirements consistent with the company’s business strategies, and 3) administer the program with predetermined goals as a guide. Assuming strategic goals are met, the combined total rewards would be expected to be comparable to similarly sized banks within the company’s market area.

#### TARP Related Compensation Matters

In connection with the company’s participation in January 2009 in the U.S. Department of Treasury’s Troubled Asset Relief Program Capital Purchase Program (the “TARP Program”), the executive and compensation committee is required to identify the features in the company’s incentive compensation arrangements that could encourage its senior executive officers to take unnecessary and excessive risks that could threaten the value of the company. The committee is required to review the company’s incentive compensation arrangements to ensure that senior executive officers are not encouraged to take such risks. The committee must also meet at least every six months with the company’s senior risk officers to discuss and review the relationship between the company’s risk management policies and practices and its incentive compensation arrangements. The committee began this dialogue with the company’s senior risk officers in January of 2009.

After analyzing various company practices and procedures as they relate to compensation risk, the senior risk managers concluded that the compensation plan arrangements do not encourage unnecessary and excessive risks that threaten the value of Centrue Financial Corporation. At least every six months, the senior risk managers repeat this process and provide the executive and compensation committee with its findings, observations and recommendations and serve as a resource for the committee during its certification exercises.

Additionally, in conjunction with the executive and compensation committee, management works to ensure that TARP-related responsibilities are met. These responsibilities include, but are not limited to: identification of senior executive officers and highly compensated employees for purposes of restrictions on incentive compensation, compliance with severance pay prohibitions and clawback requirements for bonus payments, prohibition of certain gross-up and bonus payments and accruals, compensation committee review of plans, filings with Treasury, adoption of a company-wide policy on excessive or luxury expenditures, review of bonuses, retention awards and other compensation paid prior to the enactment of the American Recovery and Reinvestment Act of 2009 (“ARRA”), adherence with IRC Section 162(m)(5) and say on pay, and disclosures regarding compensation consultants and perquisites.

During the period that the U.S. Treasury holds the company's preferred or common stock, the company may be restricted from paying bonus and other incentive compensation in cash to the company's executive officers.

## Executive Compensation

The following table shows the compensation earned by the chief executive officer, chief financial officer and the three other most highly compensated executive officers in 2009.

Summary Compensation Table

| Name and Principal Position   | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$)(6) | Non-Equity Incentive Plan Compensation (\$) | Non-qualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|---|------|-------------|------------|-------------------|-----------------------|---|---|-----------------------------|------------|
| Thomas A. Daiber<br>President & Chief Executive Officer(1)                        | 2009 | \$335,000   | \$—        | —                 | \$35,600              | —   | —   | \$18,868                    | \$389,468  |
|   | 2008 | \$325,000   | \$—        | —                 | \$67,200              | —   | —   | \$18,490                    | \$410,690  |
|   | 2007 | \$298,984   | \$152,500  | —                 | \$—                   | —   | —   | \$6,750                     | \$458,234  |
| Kurt R. Stevenson<br>Senior Executive Vice President & Chief Financial Officer(2) | 2009 | \$188,000   | \$—        | —                 | \$17,800              | —   | —   | \$12,280                    | \$218,080  |
|   | 2008 | \$180,639   | \$—        | —                 | \$33,600              | —   | —   | \$12,897                    | \$227,136  |
|   | 2007 | \$162,917   | \$54,269   | —                 | \$—                   | —   | —   | \$6,824                     | \$224,010  |
| Steven E. Flahaven<br>EVP/Head of Commercial Banking(3)                           | 2009 | \$177,000   | \$—        | —                 | \$17,800              | —   | —   | \$14,995                    | \$209,795  |
|   | 2008 | \$172,000   | \$—        | —                 | \$33,600              | —   | —   | \$7,983                     | \$213,583  |
|   | 2007 | \$151,250   | \$36,596   | —                 | \$22,900              | —   | —   | \$5,365                     | \$216,111  |
| Everett J. Solon<br>Market President(4)   | 2009 | \$161,500   | \$—        | —                 | \$8,900               | —   | —   | \$13,470                    | \$183,870  |
|   | 2008 | \$157,625   | \$—        | —                 | \$16,800              | —   | —   | \$14,512                    | \$188,937  |
|   | 2007 | \$145,667   | \$33,179   | —                 | \$22,900              | —   | —   | \$7,212                     | \$208,958  |
| Roger D. Dotson<br>EVP/Head of Operations(5)                                      | 2009 | \$157,500   | \$—        | —                 | \$17,800              | —   | —   | \$6,903                     | \$182,203  |
|   | 2008 | \$150,000   | \$—        | —                 | \$33,600              | —   | —   | \$7,561                     | \$191,161  |
|   | 2007 | \$128,654   | \$34,250   | —                 | \$—                   | —   | —   | \$5,810                     | \$168,714  |

(1) Mr. Daiber's All Other Compensation figure represents \$7,350 of employer contributions to his 401(k) account, \$1,518 of imputed income related to Mr. Daiber's group-term life insurance and \$10,000 in company matches to his

non-qualified deferred compensation plan account. Stock option values are based on the full Black-Scholes model for the fair market value of the options.

- (2) Mr. Stevenson's All Other Compensation figure represents \$5,281 of employer contributions to his 401(k) account, \$259 of imputed income related to Mr. Stevenson's split dollar bank-owned life insurance (BOLI) policy, \$391 of imputed income related to Mr. Stevenson's group-term life insurance and \$6,349 in company matches to his non-qualified deferred compensation plan account. Stock option values are based on the full Black-Scholes model for the fair market value of the options.
- (3) Mr. Flahaven's All Other Compensation figure represents \$4,779 of employer contributions to his 401(k) account, \$839 of imputed income related to Mr. Flahaven's group-term life insurance and \$9,377 in company matches to his non-qualified deferred compensation plan account. Stock option values are based on the full Black-Scholes model for the fair market value of the options.
- (4) Mr. Solon's All Other Compensation figure represents \$4,569 of employer contributions to his 401(k) account, \$2,519 of imputed income related to Mr. Solon's split dollar bank-owned life insurance (BOLI) policy, \$1,500 of imputed income related to Mr. Solon's group-term life insurance and \$4,882 in company matches to his non-qualified deferred compensation plan account. Stock option values are based on the full Black-Scholes model for the fair market value of the options.
- (5) Mr. Dotson's All Other Compensation figure represents \$4,725 of employer contributions to his 401(k) account and \$2,178 of imputed income related to Mr. Dotson's group-term life insurance. Stock option values are based on the full Black-Scholes model for the fair market value of the options.
- (6) 2009 stock option grants occurred on January 9, 2009. Prior year stock option values were recalculated to conform with required 2009 proxy changes and reflect the full Black Scholes model for the fair market value of the options for the year of grant. Please refer to Note 16 in the company's financial statements for the year ended December 31, 2009 for a discussion of the assumptions underlying the valuation of our share based compensation.

## Employment Agreements and Other Arrangements

We are party to the following employment agreements with our executive officers named in the compensation table. During the period that the U.S. Treasury holds the company's preferred or common stock, the company may be restricted from accruing or paying severance to the company's executive officers.

### Thomas A. Daiber and Kurt R. Stevenson

The post-merger Centrue entered into employment agreements with Thomas A. Daiber and Kurt R. Stevenson on June 30, 2006. Except as described below, each agreement is substantially identical. Initially the agreements were effective for a three-year term. On the second anniversary of the agreements' effective date, the term was extended an additional day so that the term is always one year, unless either party gives written notice of non-renewal to the other party.

The agreement for Mr. Daiber provides for an annual base salary of not less than \$290,000 (\$335,000 in 2009). Additionally, Mr. Daiber has the opportunity to receive an annual performance bonus of up to 50% of his base salary. The agreement also provided for the award of incentive stock options to Mr. Daiber, and on July 7, 2006 Mr. Daiber was awarded options to purchase equal to 12,500 shares of Centrue stock after the merger. Mr. Daiber is entitled to a bank of paid time off days, as well as other benefits, at least as favorable to the benefits provided to all other employees.

The agreement for Mr. Stevenson provides for an annual base salary of not less than \$170,000 (\$188,000 in 2009). Additionally, Mr. Stevenson will have the opportunity to receive an annual performance bonus of up to 30% of his base salary. The agreement also provided for the award of incentive stock options to Mr. Stevenson, and on July 7, 2006 Mr. Stevenson was awarded options to purchase equal to 7,500 shares of Centrue stock after the merger. Mr. Stevenson is entitled to a bank of paid time off days, as well as other benefits, at least as favorable to the benefits provided to all other employees.

The employment agreements include customary provisions prohibiting the executive from competing and other activities that would be harmful to the company. Payments under the employment agreements will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws. Current golden parachute provisions for TARP recipients prohibit a severance from being paid or accrued for Messrs. Daiber and Stevenson until TARP funds are repaid.

Both executives signed non-material contract amendments in December 2008 to address Internal Revenue Code Section 409A compliance matters for 2009.

### Steven E. Flahaven, Everett J. Solon and Roger D. Dotson

In January of 2007, the company entered into employment agreements with Steven E. Flahaven and Everett J. Solon. Except as described below, each agreement is substantially identical. Initially the agreements are effective for a one-year term for Mr. Flahaven, a one and one-third year term for Mr. Dotson and a two-year term for Mr. Solon. On the first anniversary of the date the agreements become effective, the term may be extended for one or more additional years by resolution of the board of directors. In 2008, the board extended each agreement for one additional year. Mr. Flahaven's and Mr. Dotson's agreements were extended through December 31, 2009, while Mr. Solon's agreement was extended through December 31, 2010.

Mr. Flahaven's agreement, as amended, specifies a minimum base salary of \$177,000. He has the opportunity to receive annual performance bonuses of up to 25% of his base salary and is entitled to not less than twenty-five days of paid time off as well as benefits at least as favorable to the benefits provided to all other employees.

Mr. Flahaven received a grant of 10,000 stock options in January 2009.

The employment agreement includes customary provisions prohibiting Mr. Flahaven from competing and other activities that would be harmful to the company. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.



Mr. Flahaven's contract was not renewed for 2010 and he left the company on January 31, 2010.

Mr. Solon's agreement, as amended, specifies a minimum base salary of \$161,500. He has the opportunity to receive annual performance bonuses of up to 25% of his base salary and is entitled to not less than twenty-five days of paid time off as well as benefits at least as favorable to the benefits provided to all other employees.

Mr. Solon received a grant of 5,000 stock options in January 2009.

The employment agreement includes customary provisions prohibiting Mr. Solon from competing and other activities that would be harmful to the company. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

Mr. Dotson's agreement, as amended, specifies a minimum base salary of \$157,500. He has the opportunity to receive annual performance bonuses of up to 25% of his base salary and is entitled to not less than twenty-five days of paid time off as well as benefits at least as favorable to the benefits provided to all other employees.

Mr. Dotson received a grant of 10,000 stock options in January 2009.

The employment agreement includes customary provisions prohibiting Mr. Dotson from competing and other activities that would be harmful to the company. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

#### Compensation of the Chief Executive Officer

Thomas A. Daiber

During 2009, Thomas A. Daiber served as the chief executive officer of Centruue Financial Corporation.

Throughout the period, the committee maintained a working relationship with independent consulting firm, Amalfi Consulting. Periodically, the committee would review peer data compiled by Amalfi and consider such data when determining senior management compensation matters, including the base salary of the chief executive officer.

In conjunction with the 2009 performance cycle, in late 2008, the committee engaged Amalfi Consulting to review executive compensation at the bank and to recommend potential improvements regarding existing practices. The company recognizes that competitive compensation is critical for attracting, motivating, and rewarding qualified executives, and this review was intended to identify appropriate compensation levels and compensation program design features. The committee engaged Amalfi to perform the review as an objective third party, to summarize issues relative to topics such as competitive compensation, annual incentives and long-term incentives.

The custom peer group of 17 publicly traded financial institutions was provided to Amalfi Consulting by the company. The peer group consisted of publicly traded financial institutions ranging in asset size from \$1.0 to \$2.2 billion as of 9/30/2008 and located in IA, IL, IN, KY, MI, MO and OH. When selecting a peer group, geographic location, performance and asset size are considered. The peer group consisted of: Farmers Capital Bank Corp., Enterprise Financial Services, Lakeland Financial Corp., Peoples Bancorp Inc. Mercantile Bancorp Inc., MBT Financial Corp., S.Y. Bancorp Inc., QCR Holdings Inc., Porter Bancorp Inc., Firstbank Corp., West Bancorp. Horizon Bancorp, Hawthorn Bancshares, Inc., German American Bancorp Inc., Princeton National Bancorp, Dearborn Bancorp Inc. and Camco Financial Corp.

The committee also considered various aspects of company performance including earnings, asset quality levels, compliance issues, capital levels, branch distribution strategy, loan and deposit growth, cost savings and employee morale when reviewing Mr. Daiber's compensation. These factors, in conjunction with preliminary data relative to Mr. Daiber's position as compared with peer, resulted in the committee granting Mr. Daiber an increase of \$10,000 per annum, or 3.1%, for 2009 for a new base salary of \$335,000.

No additional changes were made to the chief executive officer's compensation as a result of this study.

Since no formal incentive program was rolled out for 2009, Mr. Daiber received no bonus for year 2009 performance.

In an effort to provide incentive toward achievement of the company's long-term objectives and further promote ownership by the senior management team, Mr. Daiber received a grant of 20,000 stock options in January 2009.

Mr. Daiber was eligible for participation in all company-sponsored benefits programs in 2009, including the company's group health, dental and vision coverage, group-term life insurance coverage, and company-sponsored retirement programs including the Centrue Financial Corporation 401(k) and Profit Sharing Plan, as well as a non-qualified deferred compensation plan.

Mr. Daiber did not receive any compensation associated with a car allowance or country club dues.

The compensation and benefits package for 2009 for Mr. Daiber was approved by the company's board of directors and was commensurate with his knowledge, skills and abilities, as supported by his professional experience and accomplishments, as well as the board's belief in his ability to successfully lead the organization. The executive and compensation committee has reviewed all components of the total compensation package of the chief executive officer and the other named executive officers in this proxy statement and believes them to be reasonable and not excessive.

#### Compensation of Other Executive Officers

##### Kurt R. Stevenson

During 2009, Kurt R. Stevenson served as the chief financial officer of Centrue Financial Corporation. The board of directors approved Mr. Stevenson's 2009 salary of \$188,000 as part of the company's customary annual review of all salaries. This represented a \$5,680 or 3.1% increase and was based on a combination of factors including personal and company performance.

Since no formal incentive program was rolled out for 2009, Mr. Stevenson received no bonus for year 2009 performance.

In an effort to provide incentive toward achievement of the company's long-term objectives and further promote ownership by the senior management team, Mr. Stevenson received a grant of 10,000 stock options in January 2009.

Mr. Stevenson was eligible for participation in all company-sponsored benefits programs in 2009, including the company's group health, dental and vision coverage, group-term life insurance coverage, and company-sponsored retirement programs including the Centrue Financial Corporation 401(k) and Profit Sharing Plan, as well as a non-qualified deferred compensation plan.

Mr. Stevenson did not receive any compensation associated with a car allowance or country club dues.

##### Steven E. Flahaven

During 2009, Steven E. Flahaven served as the executive vice president for the full year and also served as the head of commercial banking until April 2009 of Centrue Financial Corporation. The board of directors approved Mr. Flahaven's 2009 salary of \$177,000 as part of the company's customary annual review of all salaries. This represented a \$5,000 or 2.9% increase and was based on a combination of factors including personal and company performance.

Since no formal incentive program was rolled out for 2009, Mr. Flahaven received no bonus for year 2009 performance.

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In an effort to provide incentive toward achievement of the company's long-term objectives and further promote ownership by the senior management team, Mr. Flahaven received a grant of 10,000 stock options in January 2009.

Mr. Flahaven was eligible for participation in all company-sponsored benefits programs in 2009, including the company's group health, dental and vision coverage, group-term life insurance coverage, and company-sponsored retirement programs including the Centrue Financial Corporation 401(k) and Profit Sharing Plan, as well as a non-qualified deferred compensation plan.

Mr. Flahaven did not receive any compensation associated with a car allowance or country club dues.

Everett J. Solon

During 2009, Everett J. Solon served as a market president of Centrue Financial Corporation. The board of directors approved Mr. Solon's 2009 salary of \$161,500 as part of the company's customary annual review of all salaries. This represented a \$3,000 or 1.9% increase and was based on a combination of factors including personal and company performance.

Since no formal incentive program was rolled out for 2009, Mr. Solon received no bonus for year 2009 performance.

In an effort to provide incentive toward achievement of the company's long-term objectives and further promote ownership by the senior management team, Mr. Solon received a grant of 5,000 stock options in January 2009.

Mr. Solon was eligible for participation in all company-sponsored benefits programs in 2009, including the company's group health, dental and vision coverage, group-term life insurance coverage, and company-sponsored retirement programs including the Centrue Financial Corporation 401(k) and Profit Sharing Plan, as well as a non-qualified deferred compensation plan.

Mr. Solon did not receive any compensation associated with a car allowance or country club dues.

Roger D. Dotson

During 2009, Roger D. Dotson served as the executive president for the full year and also was named the head of head of operations in April 2009 of Centrue Financial Corporation. The board of directors approved Mr. Dotson's 2009 salary of \$157,500 as part of the company's customary annual review of all salaries. This represented a \$7,500 or 5% increase and was based on a combination of factors including personal and company performance.

Since no formal incentive program was rolled out for 2009, Mr. Dotson received no bonus for year 2009 performance.

In an effort to provide incentive toward achievement of the company's long-term objectives and further promote ownership by the senior management team, Mr. Dotson received a grant of 10,000 stock options in January 2009.

Mr. Dotson was eligible for participation in all company-sponsored benefits programs in 2009, including the company's group health, dental and vision coverage, group-term life insurance coverage, and company-sponsored retirement programs including the Centrue Financial Corporation 401(k) and Profit Sharing Plan, as well as a non-qualified deferred compensation plan.

Mr. Dotson did not receive any compensation associated with a car allowance or country club dues.



## Grants of Plan-Based Awards

| Name               | Grant Date (1) | All Other<br>Option Awards:<br>Number of<br>Securities<br>Underlying<br>Options<br>(#) | Exercise or Base<br>Price of Option<br>Awards<br>(\$/Sh) | Grant Date Fair<br>Value of Stock and<br>Option Awards<br>(\$) |
|--------------------|----------------|--|--|--|
| Thomas A. Daiber   | 01/09/2009     | 20,000   | \$ 9.64  | \$ 35,600  |
| Kurt R. Stevenson  | 01/09/2009     | 10,000   | \$ 9.64  | \$ 17,800  |
| Steven E. Flahaven | 01/09/2009     | 10,000   | \$ 9.64  | \$ 17,800  |
| Everett J. Solon   | 01/09/2009     | 5,000  | \$ 9.64  | \$ 8,900   |
| Roger D. Dotson    | 01/09/2009     | 10,000   | \$ 9.64  | \$ 17,800  |

- (1) All options granted in 2009 were qualified options subject to a five-year graded vesting schedule in which options vest 20% per year. The exercise price for all options, which was above fair market value, coincides with the strike price for the U.S. Treasury's investment under the Capital Purchase Program.

## Outstanding Equity Awards at Fiscal Year-End

| Name              | Option Awards  |  |  | Stock Awards  |                                     |                              |   |  |  |
|-------------------|--|--|--|---|-------------------------------------|------------------------------|---|--|--|
|                   | Number of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>Exercisable<br>(#)(1) | Number of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>Un-exercisable<br>(#) (2) | Equity<br>Incentive<br>Plan<br>Awards:<br>Number of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#) | Equity<br>Incentive<br>Plan<br>Awards:<br>Number<br>of<br>Shares<br>or<br>Units<br>That<br>Have<br>Not<br>Vested<br>(#) | Option<br>Exercise<br>Price<br>(\$) | Option<br>Expiration<br>Date | Market<br>Value<br>of<br>Shares<br>or<br>Units<br>That<br>Have<br>Not<br>Vested<br>(\$) | Equity<br>Incentive<br>Plan<br>Awards:<br>Number<br>of<br>Shares,<br>Units or<br>Rights<br>That Have<br>Not<br>Vested<br>(#) | Equity<br>Incentive<br>Plan<br>Awards:<br>Market or<br>Payout<br>Value of<br>Unearned<br>Shares,<br>Units or<br>Rights<br>That Have<br>Not<br>Vested<br>(\$) |
| Thomas A. Daiber  | 24,000   | —  | —  | —   | \$21.88                             | 10/09/2013 (3)               | —   | —  | —  |
|                   | 18,000   | —  | —  | —   | 22.92                               | 10/19/2014 (3)               | —   | —  | —  |
|                   | 14,400   | —  | —  | —   | 22.50                               | 12/29/2012 (3)               | —   | —  | —  |
|                   | 7,500  | 5,000  | —  | —   | 19.58                               | 11/13/2013                   | —   | —  | —  |
|                   | 4,000  | 16,000   | —  | —   | 17.63                               | 02/07/2015                   | —   | —  | —  |
|                   | —  | 20,000   | —  | —   | 9.64                                | 01/09/2016                   | —   | —  | —  |
| Kurt R. Stevenson | 2,935  | —  | —  | —   | 11.75                               | 02/15/2011                   | —   | —  | —  |
|                   | 2,935  | —  | —  | —   | 14.25                               | 02/20/2012 (3)               | —   | —  | —  |
|                   | 2,392  | —  | —  | —   | 15.09                               | 12/19/2012 (3)               | —   | —  | —  |

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|            |       |        |   |       |            |     |   |   |   |   |
|------------|-------|--------|---|-------|------------|-----|---|---|---|---|
|            | 5,000 | —      | — | 20.30 | 06/16/2015 | (3) | — | — | — | — |
|            | 4,500 | 3,000  | — | 19.60 | 11/13/2013 | —   | — | — | — | — |
|            | 2,000 | 8,000  | — | 17.63 | 02/07/2015 | —   | — | — | — | — |
|            | —     | 10,000 | — | 9.64  | 01/09/2016 | —   | — | — | — | — |
| Steven E.  | 2,000 | 3,000  | — | 19.03 | 01/31/2014 | —   | — | — | — | — |
| Flahaven   | 2,000 | 8,000  | — | 17.63 | 02/07/2015 | —   | — | — | — | — |
|            | —     | 10,000 | — | 9.64  | 01/09/2016 | —   | — | — | — | — |
| Everett J. |       |        |   |       |            |     |   |   |   |   |
| Solon      | 3,196 | —      | — | 11.75 | 02/15/2011 | —   | — | — | — | — |
|            | 4,076 | —      | — | 14.25 | 02/20/2012 | (3) | — | — | — | — |
|            | 2,935 | —      | — | 15.09 | 12/19/2012 | (3) | — | — | — | — |
|            | 5,000 | —      | — | 20.30 | 06/16/2015 | (3) | — | — | — | — |
|            | 2,000 | 3,000  | — | 19.03 | 01/31/2014 | —   | — | — | — | — |
|            | 1,000 | 4,000  | — | 17.63 | 02/07/2015 | —   | — | — | — | — |
|            | —     | 5,000  | — | 9.64  | 01/09/2016 | —   | — | — | — | — |
| Roger D.   |       |        |   |       |            |     |   |   |   |   |
| Dotson     | 2,400 | —      | — | 22.25 | 04/21/2012 | —   | — | — | — | — |
|            | 600   | 400    | — | 19.58 | 11/13/2013 | —   | — | — | — | — |
|            | 2,000 | 8,000  | — | 17.63 | 02/07/2015 | —   | — | — | — | — |
|            | —     | 10,000 | — | 9.64  | 01/09/2016 | —   | — | — | — | — |

- (1) Unless otherwise noted, all options vested in one-fifth cumulative annual increments beginning one year from grant.
- (2) All outstanding options for executives will continue to vest at 20% per year.
- (3) The option became immediately and fully vested upon merger of the former Centrue Financial Corporation and the former UnionBancorp, Inc (current Centrue Financial Corporation) in November of 2006.



## Option Exercises and Stock Vested

| Name               | Option Awards                             |                                 | Stock Awards                             |                                |
|--------------------|---|---------------------------------|--|--------------------------------|
|                    | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| Thomas A. Daiber   | —   | —                               | —  | —                              |
| Kurt R. Stevenson  | —   | —                               | —  | —                              |
| Steven E. Flahaven | —   | —                               | —  | —                              |
| Everett J. Solon   | —   | —                               | —  | —                              |
| Roger D. Dotson    | —   | —                               | —  | —                              |

## Non-Qualified Deferred Compensation Plan

| Name                   | Executive Contributions in Last FY(5) (\$) | Registrant Contributions in Last FY(6) (\$) | Aggregate Earnings in Last FY(7) (\$) | Aggregate Withdrawals/Distributions (\$) | Aggregate Balance at Last FYE (\$) |
|------------------------|--|---|---------------------------------------|--|------------------------------------|
| Thomas A. Daiber(1)    | \$ 23,000                                  | \$ 10,000                                   | \$ (17,771 )                          | —  | \$ 31,374                          |
| Kurt R. Stevenson (2)  | \$ 11,979                                  | \$ 6,358                                    | \$ (9,948 )                           | —  | \$ 17,996                          |
| Steven E. Flahaven (3) | \$ 17,693                                  | \$ 9,378                                    | \$ (12,609 )                          | —  | \$ 25,018                          |
| Everett J. Solon(4)    | \$ 9,211                                   | \$ 4,882                                    | \$ (8,476 )                           | —  | \$ 14,087                          |
| Roger D. Dotson        | \$ —                                       | \$ —  | \$ —                                  | —  | \$ —                               |

- (1) The registrant contributions in Last FY for Mr. Daiber included a company match of \$10,000 which is subject to a five-year cliff vesting schedule.
- (2) The registrant contributions in Last FY for Mr. Stevenson included a company match of \$5,999 which is subject to a five-year cliff vesting schedule and a company match of \$359 which is immediately vested.
- (3) The registrant contributions in Last FY for Mr. Flahaven included a company match of \$8,847 which is subject to a five-year cliff vesting schedule and a company match of \$531 which is immediately vested.
- (4) The registrant contributions in Last FY for Mr. Solon included a company match of \$4,606 which is subject to a five-year cliff vesting schedule and a company match of \$276 which is immediately vested.
- (5) Executive contributions in Last FY amounts are included within the Summary Compensation Table as 2009 Salary.
- (6) Company contributions in Last FY amounts are included within the Summary Compensation Table as 2009 All Other Compensation.

- (7) Aggregate earnings in Last FY reflects the difference between the account's FMV at December 31, 2008 versus December 31, 2009, less any company or participant contributions/distributions, regardless of vesting.

Please refer to the discussion above under the sub-heading "Officer Benefits" for a summary of the material features of the plan.

#### Other Potential Post-Employment Payments

The following paragraphs describe the post-termination benefits payable to the company's executive officers. During the period that the U.S. Treasury holds preferred or common stock of the company pursuant to the TARP Capital Purchase Program, the company may be prohibited or restricted from making the payments described in this section to the executive officers.

Thomas A. Daiber and Kurt R. Stevenson

The agreements for Mr. Daiber and Mr. Stevenson provide that in the event of a termination of the executive's employment without cause or by the executive due to constructive discharge prior to the end of the term of the agreement, the executive will be entitled to certain severance benefits including payments of the executive's annual compensation for the greater of twenty-four months or the remaining period left in the employment agreement's term. Annual compensation is the executive's base salary plus the performance bonus for the most recent performance period. The executive would also be entitled to receive reimbursement for premiums the executive pays for the continuation of medical benefits for the executive and the executive's dependents.

During the twelve months following a change of control, the executive will be entitled to receive a lump sum payment equal to three times the executive's annual compensation, which is the sum of the executive's base salary and the performance bonus for the most recent performance period, plus reimbursement for premiums the executive pays for the continuation of medical benefits for the executive and the executive's dependents. Payments under the employment agreements will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

At December 31, 2009, if the company would have paid out Mr. Daiber under his constructive discharge or termination without cause provision, he would have been entitled to \$670,000 (reflects two years) in base salary, \$0 (reflects two years; estimates based off of earned bonus 2009) in bonus and approximately \$31,376 in COBRA continuation premiums (reflects two years; estimates based off of current premium levels) for Mr. Daiber's family for health, dental and vision benefits for a period of 24 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Daiber was \$0.

At December 31, 2009, if the company would have paid out Mr. Daiber under his change of control provision, he would have been entitled to \$1,005,000 (reflects three years) in base salary, \$0 (reflects three years; estimates based off of earned bonus in 2009) in bonus and approximately \$47,064 in COBRA continuation premiums (reflects three years; estimates based off of current premium levels) for Mr. Daiber's family for health, dental and vision benefits for a period of 36 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Daiber was \$0.

At December 31, 2009, if the company would have paid out Mr. Stevenson under his constructive discharge or termination without cause provision, he would have been entitled to \$376,000 (reflects two years) in base salary, \$0 (reflects two years; estimates based off of earned bonus in 2009) in bonus and approximately \$31,376 in COBRA continuation premiums (reflects two years; estimates based off of current premium levels) for Mr. Stevenson's family for health, dental, vision and life benefits for a period of 24 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Stevenson was \$0.

At December 31, 2009, if the company would have paid out Mr. Stevenson under his change of control provision, he would have been entitled to \$564,000 (reflects three years) in base salary, \$0 (reflects three years; estimates based off of earned bonus in 2009) in bonus and approximately \$47,064 in COBRA continuation premiums (reflects three years; estimates based off of current premium levels) for Mr. Stevenson's family for health, dental and vision benefits for a period of 36 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Stevenson was \$0.

Steven E. Flahaven

During the twelve months following a change of control, if Mr. Flahaven terminates his employment due to constructive discharge or if the company terminates his employment for any reason other than cause, Mr. Flahaven will be entitled to receive a lump sum payment equal to one times his annual compensation, which is the sum of his base salary and the performance bonus for the most recent performance period, plus reimbursement for premiums he pays for the continuation of medical benefits for him and his dependents. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

At December 31, 2009, if the company would have paid out Mr. Flahaven under his constructive discharge, termination without cause or change of control provision, he would have been entitled to \$177,000 in base salary (one year of base salary), \$0 in bonus (estimated based off of earned bonus in 2009) in bonus and approximately \$13,484 in COBRA continuation premiums (estimated based off of current premium levels) for Mr. Flahaven and his spouse for health, dental, vision and life benefits for a period of 12 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Flahaven was \$0.

Mr. Flahaven's contract was not renewed for 2010 and he left the company on January 31, 2010.

Everett J. Solon

During the twelve months following a change of control, if Mr. Solon terminates his employment due to constructive discharge or if the company terminates his employment for any reason other than cause, Mr. Solon will be entitled to receive a lump sum payment equal to two times his annual compensation, which is the sum of his base salary and the performance bonus for the most recent performance period, plus reimbursement for premiums he pays for the continuation of medical benefits for him and his dependents. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

At December 31, 2009, if the company would have paid out Mr. Solon under his constructive discharge, termination without cause or change of control provision, he would have been entitled to \$323,000 in base salary (reflects two years of current base), \$0 (reflects two years; estimates based off of earned bonus in 2009) in bonus and approximately \$31,376 in COBRA continuation premiums (reflects two years; estimates based off of current premium levels) for Mr. Solon's family for health, dental, vision and life benefits for a period of 24 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Solon was \$0.

Roger D. Dotson

If Mr. Dotson terminates his employment due to constructive discharge or if the company terminates his employment for any reason other than cause, Mr. Dotson will be entitled to receive a lump sum payment equal to one-half of his annual compensation, which is the sum of his base salary and the performance bonus for the most recent performance period, plus reimbursement for premiums he pays for the continuation of medical benefits for him and his dependents. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

During the twelve months following a change of control, if Mr. Dotson voluntarily terminates his employment due to constructive discharge or if the company terminates his employment for any reason other than cause, Mr. Dotson will be entitled to receive a lump sum payment equal to his annual compensation, which is the sum of his base salary and the performance bonus for the most recent performance period, plus reimbursement for premiums he pays for the continuation of medical benefits for him and his dependents. Payments under the employment agreement will be reduced to the extent necessary to prevent any portion of the payments from being treated as a nondeductible excess parachute payment under the federal tax laws.

At December 31, 2009, if the company would have paid out Mr. Dotson under his constructive discharge or termination without cause provision, he would have been entitled to \$78,500 (reflects one-half of a year) in base salary, \$0 (reflects half of one year; estimates based off of earned bonus 2009) in bonus and approximately \$6,771 in COBRA continuation premiums (reflects one year; estimates based off of current premium levels) for Mr. Dotson's and his dependent child for health and dental benefits for a period of 6 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Dotson was \$0.

At December 31, 2009, if the company would have paid out Mr. Dotson under his change of control provision, he would have been entitled to \$157,500 (reflects one year) in base salary, \$0 (reflects one year; estimates based off of earned bonus in 2009) in bonus and approximately \$13,543 in COBRA continuation premiums (reflects one year; estimates based off of current premium levels) for Mr. Dotson's and his dependent child for health and dental benefits

for a period of 12 months plus normal accruals paid upon termination of employment. In addition, all outstanding stock options and awards would have become fully and immediately exercisable. The value of in-the-money unvested awards for Mr. Dotson was \$0.

## TRANSACTIONS WITH MANAGEMENT

The company's audit committee charter requires the review of all related party transactions, other than Regulation O transactions, to the extent required by the rules of the Securities and Exchange Commission and NASDAQ (or by the rules and regulations of any other exchange or national market on which the company's common stock is quoted or listed for trading).

Several of our directors and executive officers (including their affiliates, families and companies in which they are principal owners, officers or directors) were loan customers of, and had other transactions with, us and our subsidiaries in the ordinary course of business. These loans and lines of credit were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavorable features.

## ACCOUNTANT FEES

### Audit Fees

Audit fees and expenses billed to the company by Crowe Horwath LLP for the audit of the company's financial statements, including the audit of internal control over financial reporting, for 2009 and 2008 were \$303,000 and \$298,500. The audit services also include the review of financial statements included in our quarterly reports on Form 10-Q and other services normally performed by independent registered public accounting firms in connection with statutory and regulatory filings.

### Audit Related Fees

Audit related fees and expenses billed to the company by Crowe Horwath LLP for fiscal years 2009 and 2008 were \$24,550 and \$0 for services related to the performance of the audit or review of the company's financial statements.

### Tax Fees

Tax fees and expenses billed to the company for fiscal years 2009 and 2008 were \$69,480 and \$35,500 for services related to tax compliance, tax advice and tax planning, consisting primarily of preparing the company's federal and state income tax returns for the previous fiscal periods and inclusive of expenses.

### All Other Fees

Fees and expenses billed to the company for fiscal years 2009 and 2008 were \$39,375 and \$41,050 for all other services, which primarily consisted of the audit of the benefit plans.

The audit committee, after consideration of the matter, does not believe that the rendering of these services by Crowe Horwath LLP to be incompatible with maintaining its independence as our principal accountant. In accordance with Section 10A(i) of the Exchange Act, before Crowe Horwath LLP is engaged by us to render audit or non-audit services, the engagement is approved by our audit committee. None of the audit-related, tax and other services described above were required to be approved by the audit committee pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The audit committee is responsible for reviewing and pre-approving any non-audit services to be performed by the company's independent auditors. The audit committee has delegated its pre-approval authority to the chairman of the audit committee to act between meetings of the audit committee. Any pre-approval given by the chairman of the audit committee pursuant to this delegation is presented to the full audit committee at its next regularly scheduled meeting. The audit committee or chairman of the audit committee reviews and, if appropriate, approves non-audit service engagements, taking into account the proposed scope of the non-audit services, the proposed fees for the non-audit

services, whether the non-audit services are permissible under applicable law or regulation and the likely impact of the non-audit services on the independence of the independent auditors.



## AUDIT COMMITTEE REPORT

The incorporation by reference of this proxy statement into any document filed with the Securities and Exchange Commission by us shall not be deemed to include the following report unless the report is specifically stated to be incorporated by reference into such document.

The audit committee assists the board in carrying out its oversight responsibilities for our financial reporting process, audit process and internal controls. The committee also reviews the audited financial statements and recommends to the board that they be included in our annual report on Form 10-K. The committee is comprised solely of independent directors. The current charter is available on the company's website at [www.centrue.com](http://www.centrue.com).

Management is responsible for the preparation, presentation and integrity of our financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. Crowe Horwath LLP, our independent registered public accounting firm, is responsible for performing an independent audit of the financial statements in accordance with standards of the Public Company Accounting Oversight Board and auditing management's assessments of its internal controls. Centrue Financial Corporation outsources the internal audit function to a third party that reports directly to the audit committee and management. This third party is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of our system of internal controls relating to the reliability and integrity of our financial information. The audit committee has ultimate authority and responsibility to select, evaluate and, when appropriate, replace our independent auditors.

The audit committee has reviewed and discussed our audited financial statements for the fiscal year ended December 31, 2009 with our management and Crowe Horwath LLP, our independent registered public accounting firm. The committee has also discussed with Crowe Horwath LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol 1 AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, as well as having received and discussed the written disclosures and the letter from Crowe Horwath LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with Crowe Horwath LLP their independence. Based on the review and discussions with management and Crowe Horwath LLP, the committee has recommended to the board that the audited financial statements be included in our annual report on Form 10-K for the fiscal year ending December 31, 2009 for filing with the Securities and Exchange Commission.

Respectively Submitted,  
2009 Audit Committee

Mark L. Smith, Chair  
Walter E. Breipohl  
Randall E. Ganim  
Scott C. Sullivan

### Audit Committee Financial Expert

The board of directors has determined that two of the four audit committee members, Messrs. Ganim and Smith, are qualified for designation as "audit committee financial experts." Both directors are independent under the listing standards of the Nasdaq Stock Market.

For inclusion in our proxy statement and form of proxy relating to the 2011 annual meeting of stockholders, stockholder proposals in compliance with SEC Rule 14a-8 must be received by us on or before November 29, 2010. For proposals outside of SEC Rule 14a-8, in order to be presented at such meeting, notice of the proposal must be received by Centru Financial Corporation on or before March 29, 2011, and must otherwise comply with our bylaws.

### “HOUSEHOLDING” OF PROXY MATERIALS

The company intends to household proxy materials this year. Brokers to Centrue Financial Corporation stockholders will deliver a single proxy statement and Form 10-K annual report to multiple stockholders sharing an address unless contrary instructions have been received from an affected stockholder. Once you have received notice from your broker or the company that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate proxy statement and Form 10-K annual report, please notify your broker, direct your written request to Centrue Financial Corporation, c/o Corporate Secretary, 201 East Main Street, Streator, IL 61364 or contact Investor Relations at investor.relations@centrue.com.

Stockholders who currently receive multiple copies of the proxy statement and Form 10-K annual report at their address and would like to request “householding” of their communications should contact their broker or, if a stockholder is a direct holder of Centrue Financial Corporation shares, they should submit a written request to Computershare Investor Services, the company’s transfer agent, at 2 North LaSalle Street, Chicago, IL 60602.

### OTHER MATTERS

We do not intend to present any other business at the meeting and know of no other matters which will be presented. However, if any other matters come before the meeting, it is the intention of the persons named in the accompanying proxy to vote in accordance with their best judgment on those matters. A representative of our independent auditors, Crowe Horwath LLP, is expected to attend the annual meeting and will be available to respond to appropriate questions and to make a statement if he or she so desires.

Your proxy is solicited by the board of directors, and we will pay the cost of solicitation. In addition to soliciting proxies by use of the mail, officers, directors and regular employees of Centrue Financial Corporation or our subsidiaries, acting on our behalf, may solicit proxies by telephone, telegraph or personal interview. We will, at our expense, upon the receipt of a request from brokers and other custodians, nominees and fiduciaries, forward proxy soliciting material to the beneficial owners of shares held of record by such persons.

### FAILURE TO INDICATE CHOICE

If any stockholder fails to indicate a choice with respect to any of the proposals on the proxy for the annual meeting, the shares of such stockholder shall be voted FOR the nominees listed, FOR the appointment of Crowe Horwath LLP as our independent auditors and FOR the approval of the company’s executive compensation.

By Order of the Board of Directors

Thomas A. Daiber  
President and Chief Executive Officer

St. Louis, Missouri  
March 29, 2010

ALL STOCKHOLDERS ARE URGED TO SIGN  
AND MAIL THEIR PROXIES PROMPTLY



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X

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proposals — The Board of Directors recommends a vote FOR all the nominees listed, FOR Proposal 2 and FOR Proposal 3.

- |    |                           |     |          |   |
|----|---------------------------|-----|----------|---|
| 1. | Election of<br>Directors: | For | Withhold | + |
|    | 01 - Thomas A.<br>Daiber  | o   | o        |   |
|    | 02 - Mark L.<br>Smith     | o   | o        |   |
|    | 03 - Scott C.<br>Sullivan | o   | o        |   |
- 
- |    |   |          |              |              |    |  |          |              |              |
|----|---|----------|--------------|--------------|----|--|----------|--------------|--------------|
| 2. | To approve the<br>advisory (non-binding)<br>proposal ratifying the<br>appointment of Crowe<br>Horwath LLP as our<br>independent auditors<br>for the fiscal year<br>ending December 31,<br>2010. | For<br>o | Against<br>o | Abstain<br>o | 3. | To approve the<br>following advisory<br>(non-binding)<br>proposal: “Resolved,<br>that the shareholders<br>approve the executive<br>compensation of the<br>Company, as described<br>in the “Compensation<br>Discussion and<br>Analysis” and the<br>tabular disclosure<br>regarding named<br>executive officer<br>compensation<br>(together with the<br>accompanying<br>narrative disclosure) in<br>this Proxy Statement.” | For<br>o | Against<br>o | Abstain<br>o |
|----|---|----------|--------------|--------------|----|--|----------|--------------|--------------|

Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below  
Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor,  
administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Signature 1 — Please keep signature Signature 2 — Please keep signature within  
Please print date below. within the box. the box.  
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PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE  
BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy — Centrue Financial Corporation

Notice of 2010 Annual Meeting of Stockholders

Hilton Chicago O'Hare Airport  
O'Hare International Airport, Chicago, Illinois  
Wednesday, April 28, 2010 at 8:00 a.m. local time

Randall E. Ganim and John A. Shinkle, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Centrue Financial Corporation to be held on Wednesday, April 28, 2010 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR Thomas A. Daiber, FOR Mark L. Smith and FOR Scott C. Sullivan, FOR the non-binding independent auditor proposal, and FOR the non-binding executive compensation proposal

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)



