

WEST BANCORPORATION INC  
Form DEF 14A  
February 28, 2019

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

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

WEST BANCORPORATION, INC.  
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price of other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:

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:
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- (3) Filing Party:
- (4) Date Filed:



WEST BANCORPORATION, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING TO BE HELD APRIL 25, 2019

Dear Fellow Stockholders:

The West Bancorporation, Inc. (the "Company") Annual Meeting of Stockholders will be held in the David L. Miller Conference Center at the Company's headquarters located at 1601 22<sup>d</sup> Street, West Des Moines, Iowa, on Thursday, April 25, 2019, at 4:00 p.m. Central time. We will review the progress of the Company and answer questions during the meeting. If a quorum of stockholders is represented at the meeting, in person or by proxy, the following matters will be presented for votes:

- Item The election of 12 directors to serve on the Board of Directors until the next annual meeting of stockholders and
  - 1. until their successors are elected and have been qualified;
- Item The approval, on a nonbinding basis, of the 2018 compensation of the named executive officers disclosed in the
  - 2. proxy statement;
- Item The ratification of the appointment of RSM US LLP as the independent registered public accounting firm for
  - 3. the Company for the year ending December 31, 2019; and
- Item 4. All other matters that may properly come before the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on February 15, 2019, as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. A list of stockholders entitled to notice will be available for inspection, upon written request, at the Company's headquarters located at 1601 22<sup>d</sup> Street, West Des Moines, Iowa, beginning two business days after this notice is first mailed.

Whether or not you expect to attend the Annual Meeting, in order to make sure your vote is received, please complete and return the enclosed proxy card or vote your proxy via the internet or telephone as instructed on the proxy card. A prompt response is appreciated.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders' Meeting to be held on April 25, 2019:

Copies of the documents included in this mailing, including the proxy statement, Form 10-K and summary annual report, are also available at [www.snl.com/irw/docs/1021570](http://www.snl.com/irw/docs/1021570).

We hope you will personally attend the Annual Meeting, and we look forward to seeing you there. Thank you for your interest in our Company.

For the Board of Directors,

/s/ James W. Noyce

James W. Noyce  
Chairman  
West Bancorporation, Inc.

February 28, 2019

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WEST BANCORPORATION, INC.

1601 22<sup>nd</sup> Street  
West Des Moines, Iowa 50266

PROXY STATEMENT  
2019 ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on April 25, 2019

This proxy statement and the accompanying proxy card are being furnished in connection with the solicitation by the Board of Directors (the “Board”) of West Bancorporation, Inc. (the “Company”) of proxies to be used at the 2019 Annual Meeting of Stockholders (the “Annual Meeting”). The meeting will be held in the David L. Miller Conference Center at the Company’s headquarters located at 1601 22<sup>nd</sup> Street, West Des Moines, Iowa, on April 25, 2019, at 4:00 p.m. Central time, and at any and all adjournments thereof. Copies of the Company’s 2018 summary annual report to stockholders and Form 10-K containing the annual report to stockholders, including our consolidated financial statements for the fiscal year ended December 31, 2018, accompany this proxy statement. This proxy statement, form of proxy, and other accompanying materials are first being mailed to stockholders on or about February 28, 2019.

QUESTIONS AND ANSWERS

What is a proxy?

A proxy is a document, also referred to as a “proxy card,” on which you authorize someone else to vote for you in the way that you want to vote. The proxy holders will vote your shares as you have instructed, thereby ensuring your shares will be voted whether or not you attend the Annual Meeting. You may also choose to abstain from voting.

What is a proxy statement?

A proxy statement is a document required by the Securities and Exchange Commission (the “SEC”) that, among other things, explains the items on which you are asked to vote on the proxy card.

Why am I receiving this proxy statement and proxy card?

You are receiving a proxy statement and proxy card from us because you were a stockholder of record of the Company at the close of business on February 15, 2019 (the “Record Date”). As a stockholder of record on the Record Date, you are entitled to vote at the Annual Meeting. This proxy statement describes the matters that will be presented for consideration by the stockholders at the Annual Meeting. It also gives you information concerning those matters to assist you in making an informed decision on each matter.

When you sign the enclosed proxy card or otherwise vote pursuant to the instructions set forth in the proxy card, you appoint the proxy holders designated on the proxy card as your representatives at the meeting. The proxy holders will vote your shares as you have instructed, thereby ensuring your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, we ask that you instruct the proxies how to vote your shares in advance of the meeting just in case your plans change.

What if I receive more than one proxy card?

You will receive more than one proxy card if you have multiple holdings reflected in our stock transfer records or in accounts with brokers. Please sign and return ALL proxy cards or otherwise vote pursuant to the instructions set forth



in the proxy card to ensure that all of your shares are voted.

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What matters will be voted on at the meeting?

You are being asked to vote on the following matters proposed by our Board:

- (1) the election of 12 directors;
- (2) the approval, on a nonbinding basis, of the 2018 compensation of the named executive officers, commonly known as a “say-on-pay” proposal; and
- (3) the ratification of RSM US LLP as our independent registered public accounting firm for the 2019 fiscal year.

These matters are more fully described in this proxy statement. We are not aware of any other matters that will be voted on at the Annual Meeting. However, if any other business properly comes before the meeting, the persons named as proxies for stockholders will vote on such matters in a manner they consider appropriate.

How do I vote?

After reviewing this document, please submit your proxy using any of the voting methods indicated on the proxy card. By submitting your proxy, you authorize the individuals named in it to represent you and vote your shares at the Annual Meeting in accordance with your instructions. Your vote is important. Whether or not you plan to attend the Annual Meeting, please submit your proxy card promptly in the enclosed envelope, or through the internet or via telephone by following the instructions on the proxy card.

If you sign and return your proxy card but do not mark the card to provide voting instructions, the shares represented by your proxy card will be voted “FOR” all 12 nominees named in this proxy statement, “FOR” the say-on-pay proposal and “FOR” the ratification of the appointment of RSM US LLP as our independent registered public accounting firm for the 2019 fiscal year.

If you are a beneficial owner and a broker or other fiduciary is the record holder of your shares (which is usually referred to as “street name” ownership), then you received this proxy statement from the record holder of the shares that you beneficially own. The record holder should have given you instructions for directing how the record holder should vote your shares. It will then be the record holder’s responsibility to vote your shares in the manner you direct.

If you want to vote in person, please come to the Annual Meeting. We will distribute ballots to anyone who wants to vote at the meeting. Please note, however, that if your shares are held in the name of a broker or other fiduciary (i.e., in street name), you will need to arrange to obtain a legal proxy from the record holder in order to vote in person at the meeting. Even if you plan to attend the Annual Meeting, we ask that you complete and return your proxy card or vote via the internet or by telephone in advance of the Annual Meeting in case your plans change.

If I hold shares in the name of a broker, who votes my shares?

If your broker holds your shares in its name and you have not provided voting instructions for your shares, your broker may choose to either leave your shares unvoted or vote your shares on certain “routine” matters on which the broker is deemed to have discretionary voting authority. The ratification of the appointment of a company’s independent registered public accounting firm is considered a routine matter, while the election of directors and the approval of say-on-pay proposals are both considered nonroutine matters. Thus, if you do not provide instructions to your broker as to how it should vote the shares beneficially owned by you, your broker will be able to vote on the ratification of the appointment of RSM US LLP as our independent registered public accounting firm but will not be permitted to vote on the election of directors or the approval of the say-on-pay proposal. If your broker does not receive instructions from you on how to vote on a particular matter on which your broker does not have discretionary authority to vote, your broker will return the proxy to us indicating the broker does not have authority to vote on these

matters. This is referred to as a “broker non-vote” with respect to the nonroutine matters and will affect the outcome of the voting as described below under “What options do I have in voting on each of the proposals?” Therefore, we encourage you to provide directions to your broker as to how you want your shares voted on all matters brought before the Annual Meeting.

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If I hold shares in the West Bancorporation Employee Savings and Stock Ownership Plan, who votes my shares?

If you are a holder of stock in the Company's Employee Savings and Stock Ownership Plan (the "Plan"), you can direct the trustee of the Plan (the "Trustee") how to vote the number of shares you hold in the Plan for each proposal included in this proxy statement. If you do not provide timely voting directions to the Trustee, then the Trustee shall vote the shares held for your benefit in the same proportion as those shares of stock held in the Plan for which the Trustee has received proper directions for voting.

What if I change my mind after I return my proxy?

If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close for the meeting. You may do this by:

- signing another proxy card with a later date and returning that proxy card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717;
- timely submitting another proxy via the internet;
- timely submitting another proxy via telephone;
- sending notice to us at the address below that you are revoking your proxy; or
- voting in person at the meeting.

All written notices of revocation and other written communications with respect to revocation of proxies should be sent to West Bancorporation, Inc., 1601 22<sup>nd</sup> Street, West Des Moines, Iowa 50266, Attention: Corporate Secretary. If you hold your shares in the name of your broker and desire to revoke your proxy, you will need to contact your broker.

How many votes do we need to hold the Annual Meeting?

The holders of a majority of votes entitled to be cast as of the Record Date must be present in person or by proxy at the meeting in order to hold the meeting and conduct business. Shares are counted as present at the meeting if the stockholder either:

- has properly submitted a signed proxy card or other form of proxy (through the internet or telephone); or
- is present and votes in person at the meeting.

Shares of common stock held by stockholders abstaining from voting but otherwise present at the meeting in person or by proxy, votes withheld, and broker non-votes are included in determining whether a quorum is present. On the Record Date, there were 16,295,494 shares of common stock issued and outstanding, all of which were entitled to vote. Therefore, at least 8,147,748 shares need to be present, in person or by proxy, at the Annual Meeting.

What happens if a nominee is unable to stand for re-election?

The Board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for a substitute nominee at the discretion of the proxy holders. Proxies cannot be voted for more than 12 nominees. We have no reason to believe any nominee will be unable to stand for election.

What options do I have in voting on each of the proposals?

The directors are elected by a plurality, and the 12 nominees receiving the greatest number of votes cast “FOR” their election will be elected as directors of the Company. Votes withheld from any nominee have no legal effect on the election of directors due to the fact that such elections are by a plurality of the votes cast and that the number of nominees is not greater than the number of directors to be elected.

The affirmative vote of a majority of the votes cast on the proposal (meaning the number of shares voted “for” the proposal must exceed the number of shares voted “against” such proposal) is required to approve the say-on-pay proposal and the ratification of the appointment of RSM US LLP as our registered independent public accounting firm for the fiscal year ending December 31, 2019. The vote on our executive compensation is advisory and is not binding on the directors of the Company. However, the Compensation Committee of the Board will consider stockholder votes in establishing our compensation plans for subsequent years.

Broker non-votes and abstentions will not be counted as votes cast, but will count for purposes of determining whether a quorum is present. So long as a quorum is present, broker non-votes and abstentions will have no effect on the outcome of the matters to be presented for a vote at the Annual Meeting.

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Where do I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. The voting results will also be disclosed in a Current Report on Form 8-K that we will file with the SEC within four business days after the meeting.

Who bears the cost of soliciting proxies?

The Company will bear the cost of soliciting proxies. In addition to solicitations by mail, our officers, directors or employees, without extra compensation, may solicit proxies in person, via email or by telephone. We may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

**YOUR VOTE IS IMPORTANT. PLEASE RETURN YOUR MARKED AND SIGNED PROXY CARD, OR VOTE BY INTERNET OR TELEPHONE, PROMPTLY SO YOUR SHARES CAN BE REPRESENTED, EVEN IF YOU PLAN TO ATTEND THE MEETING IN PERSON.**

Proposal 1. Election of Directors.

The Company's Bylaws provide that the number of directors of the Company shall not be less than 5 nor greater than 15. The Board currently consists of 12 members. The Board has considered and nominated all except one of the current directors to serve as directors of the Company for the next year. Kaye R. Lozier, a director since 2009, is ineligible to hold office as a director for an additional term due to reaching the age limitation for board service, which requires that a person who has attained or will attain the age of 73 years on or before the date of the forthcoming annual stockholders meeting is not eligible for election to the Board. Accordingly, the Board did not nominate her for election at the Annual Meeting. As a result, Mrs. Lozier's directorship will end at the Annual Meeting, and we thank her for her service. As a result of Mrs. Lozier's retirement, the Nominating and Corporate Governance Committee recommended the nomination of, and the Board nominated, Therese M. Vaughan for election to serve as a director on the Board. Proxies cannot be voted for more than 12 persons.

The term for directors is until the next annual meeting of stockholders and until their successors are duly elected and qualified or until their earlier resignation, removal from office, death or incapacitation.

If any nominee or nominees shall become unavailable for election, it is intended that the size of the Board will be reduced accordingly, provided that the number of nominees shall not be less than five. Any stockholder has the option to withhold authority to vote for any or all nominees. Votes withheld from any nominee have no legal effect on the election of directors due to the fact that such elections are by a plurality of the votes cast and that the number of nominees is not greater than the number of directors to be elected.

The Board recommends a vote "FOR" each of the nominees listed in the table below. Properly executed proxies on the accompanying proxy card will be voted "FOR" the election of the listed individuals, unless contrary instructions are given.

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Information concerning the nominees, including their ages, year first elected as a director of West Bancorporation, Inc., and principal occupation as of February 15, 2019, is set forth in the table and narrative description of each director's experience below. Unless otherwise noted, the nominees have been employed in their principal occupation with the same organization for at least the last five years. All the nominees are currently serving as directors of the Company, and as directors of the Company's wholly-owned subsidiary, West Bank, except for Therese M. Vaughan.

Name (Age)	Has Served as Director Since	Principal Occupation and/or Position with Company and West Bank and Location
Steven K. Gaer (Age 58)	2011	Chief Operating Officer and General Counsel, R&R Realty Group, Mayor of West Des Moines, and Director of the Company and West Bank West Des Moines, Iowa
Michael J. Gerdin (Age 49)	2013	Chairman and Chief Executive Officer, Heartland Express, Inc., and Director of the Company and West Bank North Liberty, Iowa
Sean P. McMurray (Age 51)	2013	Chief Technology Officer, Businessolver, Inc., and Director of the Company and West Bank Clive, Iowa
David R. Milligan (Age 71)	2009	Retired and Director of the Company and of West Bank West Des Moines, Iowa
George D. Milligan (Age 62)	2005	President, The Graham Group, Inc., and Director of the Company and West Bank Des Moines, Iowa
David D. Nelson (Age 58)	2010	Chief Executive Officer, President and Director of the Company, Chairman, Chief Executive Officer and Director of West Bank West Des Moines, Iowa
James W. Noyce (Age 63)	2009	Chairman and Director of the Company and Director of West Bank West Des Moines, Iowa
Robert G. Pulver (Age 71)	1984	President and Chief Executive Officer, All-State Industries, Inc., and Director of the Company and West Bank West Des Moines, Iowa
Lou Ann Sandburg (Age 70)	2011	Retired and Director of the Company and West Bank Clive, Iowa
Steven T. Schuler (Age 67)	2018	Retired and Director of the Company and West Bank Urbandale, Iowa
Therese M. Vaughan (Age 62)	–	Professor of Insurance and Actuarial Science, Drake University Des Moines, Iowa
Philip Jason Worth (Age 47)	2013	General Manager, Gilcrest/Jewett Lumber Company, and Director of the Company and West Bank West Des Moines, Iowa

The particular experiences, qualifications, attributes and skills that led the Board to conclude that each nominee should serve as a director are as follows:

Steven K. Gaer has served as a director of West Bank since 2011. Mr. Gaer is Chief Operating Officer and General Counsel for R&R Realty Group, Iowa's largest commercial real estate development, management and investment company. He is also currently serving as the Mayor of the City of West Des Moines, Iowa, a position he has held since April 2007. Mr. Gaer is also serving on the following boards: Greater Des Moines Partnership; Regional Economic Development Board; Metropolitan Planning Organization; and the County Assessor Boards for Polk,

Dallas, Madison and Warren counties. We consider Mr. Gaer to be a qualified candidate for service on the board and on the committee he is a member of because of his extensive knowledge of commercial real estate structuring, development, financing and underwriting.

Michael J. Gerdin has served as a director of West Bank since 2013. Mr. Gerdin is the Chairman, Chief Executive Officer and director of Heartland Express, Inc., which is a publicly traded company that is a short-to-medium haul truckload carrier with corporate headquarters in North Liberty, Iowa. We consider Mr. Gerdin to be a qualified candidate for service on the board and on the committee he is a member of because of his extensive experience as the head of a public company and his familiarity with the eastern Iowa business community.



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Sean P. McMurray has served as a director of West Bank since 2013. Mr. McMurray has served as the Chief Technology Officer of Businessolver, Inc., a human resources benefits administration technology company that he helped found in 1998, since May 2017. Mr. McMurray served as Chief Executive Officer of AgSolver, Inc., a technology company, from 2014 until October 2017. Mr. McMurray founded DataVision Resources and served as the Chief Executive Officer for 15 years until DataVision Resources was acquired by Equifax, Inc. in 2011. Mr. McMurray served as a Senior Vice President at Equifax, Inc. until May 2013. Mr. McMurray served as the Chairman of SmartyPig, LLC until its sale in November 2015. Previously, he was the Chief Technology Officer of SmartyPig, LLC and was principally responsible for managing the integration with SmartyPig, LLC partner banks. This included satisfying all regulatory and compliance issues, monitoring risk and security during and after integration, and designing accounting and tax solutions for the financial aspects of SmartyPig, LLC. He helped to build and design the business platforms for Businessolver, Inc. and AgSolver, Inc. We consider Mr. McMurray to be a qualified candidate for service on the board and on the committees he is a member of because of his extensive knowledge and experience as an information technology expert in a wide array of service industries.

David R. Milligan has served as a director of West Bank since 2000. Mr. Milligan served as Chairman of the Board from April 2010 through April 2018. Mr. Milligan joined West Bank in 1980 and served in various capacities, including General Counsel. He retired as Executive Vice President of the Company and as Chairman and Chief Executive Officer of West Bank on December 31, 2004. He served as a director of the Company from 2002 through 2004, and as Vice Chairman of West Bank until December 2006. He was a self-employed attorney and “Of Counsel” with Ahlers & Cooney, P.C. of Des Moines, Iowa, from March 2007 through February 2009. Mr. Milligan resumed part-time employment with West Bank in February 2009 and full-time employment in May 2009. Mr. Milligan was elected interim Chief Executive Officer of the Company and interim Chief Executive Officer and Chairman of West Bank in July 2009 and served in those positions until April 1, 2010. He was also elected as a director of the Company in 2009. He then served as Executive Vice President of West Bank from April 1, 2010 through April 30, 2010. We consider Mr. Milligan to be a qualified candidate for service on the board and the committee he serves on because of his extensive knowledge of the Company and bank regulatory matters, loan portfolio management and corporate governance.

George D. Milligan has served as a director of West Bank since 1994. Mr. Milligan is President of The Graham Group, Inc., a Des Moines, Iowa-based real estate development and investment company. He is also a board member and member of the audit committee, nominating and governance committee and investment committee of the public company United Fire Group, Inc. of Cedar Rapids, Iowa, a property and casualty insurance company. We consider Mr. Milligan to be a qualified candidate for service on the board and the committee he is a member of because of his extensive knowledge of commercial real estate financing and underwriting.

David D. Nelson has served as a director of West Bank since 2010. Mr. Nelson joined the Company on April 1, 2010, as Chief Executive Officer and President and as Chairman and Chief Executive Officer of West Bank. Mr. Nelson has more than 35 years of experience in commercial banking. Prior to joining the Company, he was the President of Southeast Minnesota Business Banking and President of Wells Fargo Bank Rochester in Rochester, Minnesota. We consider Mr. Nelson to be a qualified candidate for service on the board because of his experience as the Chief Executive Officer and President of the Company, his extensive experience in banking and his strong backgrounds in customer relationship building, credit and leadership development.

James W. Noyce has served as a director of West Bank since 2009. Mr. Noyce has served as Chairman of the Company since April 2018 and was previously Vice Chairman from April 2017 to April 2018. Mr. Noyce most recently served as the interim Chief Executive Officer of the YMCA of Greater Des Moines from January 2016 until June 2016. Mr. Noyce has over 40 years of experience in the financial services industry, and previously served as the Chief Executive Officer of FBL Financial Group, Inc., a publicly traded financial services company, and Farm Bureau Financial Services Companies from January 2007 through his retirement in April 2009, and Chief Financial Officer of

these entities from January 1996 through December 2006. Prior to that, Mr. Noyce held various positions with FBL Financial Group, Inc. and Farm Bureau Financial Services Companies, including Controller and Vice President. He served on the Advisory Committee to Farm Bureau Bank for approximately seven years until May 2009. Mr. Noyce served as the Senior Advisor and Major Gifts Officer for Drake University Athletics from August 2009 to November 2010. Mr. Noyce is also a board member and vice chairman and a member of the audit committee, compensation committee and nominating and governance committee of the public company United Fire Group, Inc. of Cedar Rapids, Iowa, a property and casualty insurance company. He is an audit committee financial expert and served as Chair of the Audit Committee from April 2009 until April 2018. Mr. Noyce is a Certified Public Accountant (inactive), a Fellow of the Casualty Actuarial Society and an Associate of the Society of Actuaries. We consider Mr. Noyce to be a qualified candidate for service on the board and the committee he is a member of because of his knowledge and experience with public companies, his extensive financial services industry experience and his education and training as an accountant.

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Robert G. Pulver has served as a director of West Bank since 1981. He also served as Vice Chairman of the Board from July 2009 until April 2014. Mr. Pulver is the President and Chief Executive Officer of All-State Industries, Inc., an industrial rubber products manufacturer, which he founded and has operated for over 40 years. We consider Mr. Pulver to be a qualified candidate for service on the board and the committee he is a member of because of his extensive business experience and knowledge of the business community in central Iowa.

Lou Ann Sandburg has served as a director of West Bank since 2011. Mrs. Sandburg served as Vice President of Investments at FBL Financial Group, Inc., a publicly traded financial services company, from 1998 until her retirement in 2008. From 1980 through 1998, Mrs. Sandburg managed various fixed-income portfolios at FBL Financial Group, Inc. Mrs. Sandburg is a chartered financial analyst. We consider Mrs. Sandburg to be a qualified candidate for service on the board and the committee she is a member of because of her extensive experience at a public company and management of investment portfolios.

Steven T. Schuler has served as a director of West Bank since January 2018. Mr. Schuler served as an executive officer of the Federal Home Loan Bank of Des Moines (FHLB) from September 2006 through his retirement in January 2017. Mr. Schuler served as Executive Vice President and Chief Financial Officer of the FHLB from September 2006 until June 2015; as Executive Vice President, Chief Financial Officer and Chief Operations Officer from June 2015 until June 2016; and Executive Vice President and Chief Operations Officer from June 2016 through his retirement in January 2017. Mr. Schuler had management responsibility for accounting and financial reporting, planning and budgeting, treasury and capital markets, information technology, facilities administration, and business process management. Prior to joining the FHLB, Mr. Schuler served in various accounting and financial management positions in the commercial banking and wireless technology industries. From 2001 to 2006, Mr. Schuler served as Chief Financial Officer, Treasurer and Secretary for Iowa Wireless Services, LLC. Mr. Schuler also previously served in various capacities, including Senior Vice President, Chief Financial Officer, Secretary and Treasurer with Brenton Banks, Inc., a publicly traded regional commercial banking company that was sold to Wells Fargo in 2000. Throughout his career, Mr. Schuler has served on the boards of various nonprofit, public service, and industry association organizations. Mr. Schuler is an audit committee financial expert and serves as Chair of the Audit Committee. Mr. Schuler is a Certified Public Accountant (inactive). We consider Mr. Schuler to be a qualified candidate for service on the board and the committees he is a member of because of his extensive experience with public companies, his knowledge of the financial services industry and his education and training as an accountant.

Therese M. Vaughn is currently the Robb B. Kelley Visiting Distinguished Professor of Insurance and Actuarial Science at Drake University. From June 2014 to June 2017, Dr. Vaughn served as the Interim Dean and then the Dean of Drake's College of Business and Public Administration. Dr. Vaughn is a leading expert in insurance regulation having served as Chief Executive Officer of the National Association of Insurance Commissioners from February 2009 to November 2012 and as Commissioner of the Iowa Insurance Division, directing all insurance business transacted in the State of Iowa, from August 1994 to December 2004. Dr. Vaughn is an Associate of the Society of Actuaries (ASA), a Chartered Property Casualty Underwriter (CPCU), an Associate of the Casualty Actuarial Society (ACAS), and a Member of the American Academy of Actuaries (MAAA). In 2012, National Underwriter named Dr. Vaughn one of the Top 25 Living Legends in Insurance, and the Association of Professional Insurance Women (APIW) selected Dr. Vaughn as the 2014 recipient of the Insurance Woman of the Year Award. In recognition of her international contributions, Dr. Vaughn was named a Distinguished Fellow of the International Association of Insurance Supervisors in 2013. Dr. Vaughn has served on the board of directors of Verisk Analytics, Inc., a data analytics provider and public company, since February 2013, and Wellmark Blue Cross and Blue Shield since May 2013 and currently serves on the audit committees of both companies. Dr. Vaughn has previously served on the board of directors of Validus Holdings, Ltd., an insurance company and public company, Principal Financial Group, Inc., an investment management company and public company, and Endurance Specialty Holding Ltd., a holding company for insurance companies and public company. Dr. Vaughn was nominated as a director because of her extensive experience with public companies and her leadership in the financial services industry.

Philip Jason Worth has served as a director of West Bank since 2011. Mr. Worth has worked in the family business, Gilcrest/Jewett Lumber Company, since 1999 and has served in his current role as the General Manager since April 2017 and as Sales Manager previously. Gilcrest/Jewett Lumber Company was founded in 1856, and Mr. Worth represents the sixth generation of ownership. The company supplies building materials to general contractors and homeowners in central and eastern Iowa and employs 305 people at four retail locations. The company focuses on building strong, lasting relationships, extending and managing its own credit, and staying active in the communities it serves. We consider Mr. Worth to be a qualified candidate for service on the board and the committee he is a member of because of his extensive knowledge of the real estate construction industry in the Company's primary markets.

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As noted above, with the exception of Mr. Gerdin, who is a director of Heartland Express, Inc., Mr. G. Milligan, who is a director of United Fire Group, Inc., Mr. Noyce, who is a director of United Fire Group, Inc. and was a director of Berthel Fisher Financial Services, Inc. until May 2014, Mrs. Sandburg, who was a director of Berthel Fisher Financial Services, Inc. until May 2014, and Dr. Vaughan, who is a director of Verisk Analytics, Inc. and was a director of Validus Holdings, Ltd. until July 2018, none of the other above nominees hold a directorship in any other company with a class of securities registered pursuant to Section 12 or subject to Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or registered as an investment company under the Investment Company Act of 1940. Those are the only directorships that require disclosure that have been held by the nominees in the past five years.

None of the nominees for director or executive officers of the Company have any family relationship with any other nominees or with any executive officers of the Company. There are no arrangements or understandings between any of the nominees and any other person pursuant to which he or she was selected as a nominee.

## GOVERNANCE AND BOARD OF DIRECTORS

### General

Generally, the Board oversees our business and monitors the performance of our management. In accordance with our corporate governance procedures, the Board does not involve itself in the day-to-day operations of the Company, which are monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the full Board, which are scheduled for five times per year; special meetings which are held from time to time; and through committee membership, which is discussed below. Our directors also discuss business and other matters with our key executives and our principal external advisors, such as our legal counsel, auditors and other consultants.

The Board currently has 12 directors, and will have 12 directors after the Annual Meeting if all nominees set forth in this proxy statement are elected. The Board has determined that the following 11 existing directors, Gaer, Gerdin, Lozier, McMurray, D. Milligan, G. Milligan, Noyce, Pulver, Sandburg, Schuler and Worth are “independent” as defined by the Nasdaq Listing Rule 5605(a)(2) and Item 407 of Regulation S-K, and the Board has determined that the independent directors do not have other relationships with us that prevent them from making objective, independent decisions. The Board has also determined that new nominee, Therese M. Vaughan, would be an independent director, if elected. David D. Nelson, the 12<sup>th</sup> director, is an executive officer of the Company and is not considered “independent.”

The Board held five regularly scheduled meetings, one special meeting and one organizational meeting in 2018. In addition, the Company Board’s and West Bank’s Board held two combined meetings for the purpose of strategic planning. All directors attended at least 75 percent of the full Board meetings and the meetings of any committees on which the director serves. Board members are encouraged to attend the annual meetings of stockholders, and all Board members except Mr. Gaer attended the 2018 annual meeting of stockholders.

The Board has established the following standing committees:

Audit Committee

Compensation Committee

Nominating and Corporate Governance Committee

Risk Management and Information Technology Committee

The Board has adopted written charters for each standing committee. The charters may be seen on the Investor Relations, Corporate Information, Corporate Governance section of the Company's website ([www.westbankstrong.com](http://www.westbankstrong.com)). The primary responsibilities of the committees are described on the following pages.

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## Committees of the Board of Directors

The table below shows the current membership for each of the standing Board committees:

Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Risk Management and Information Technology Committee
Steven K. Gaer		Chair		
Michael J. Gerdin		u		
Kaye R. Lozier			u	
Sean P. McMurray		u		Chair
David R. Milligan	u			
George D. Milligan			Chair	
James W. Noyce	u			
Robert G. Pulver			u	
Lou Ann Sandburg				u
Steven T. Schuler	Chair			u
Philip Jason Worth	u			
Meetings held during 2018	4	3	5	4

**Audit Committee.** The current members of the Audit Committee are Steven T. Schuler, Chair, David R. Milligan, James W. Noyce and Philip Jason Worth. Each of the Audit Committee members is considered “independent” according to Nasdaq listing requirements and Rule 10A-3 of the Exchange Act, as required for audit committee membership. Mr. Schuler and Mr. Noyce are “audit committee financial experts” as defined in the Sarbanes-Oxley Act of 2002 and related regulations based on their level of education and work experience, as described previously in this proxy statement. The Audit Committee selects the independent and internal auditors; reviews with the independent and internal auditors the plan, scope and results of the auditors’ services; approves their fees; and reviews the Company’s financial reporting and internal control functions and risk assessment. The Audit Committee has authority to retain special legal, accounting or other consultants as it deems appropriate or necessary. The Audit Committee also performs the other duties set forth in its charter. The Audit Committee reviews its charter at least annually and recommends changes to the Board when it deems necessary. The Audit Committee met four times during 2018 and also met with the Company’s management and internal and independent auditors four times in separate executive sessions. The Audit Committee is also prepared to meet privately at any other time at the request of the independent registered public accountants, internal auditors or members of management to review any special situation arising on any of the above subjects. Mr. Noyce is a member of the Audit Committee who also serves on the audit committee of another public company (United Fire Group, Inc.). The functions of the Audit Committee are detailed at length in its charter, which may be viewed on the Company’s website ([www.westbankstrong.com](http://www.westbankstrong.com)) under Investor Relations, Corporate Information, Corporate Governance.

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Compensation Committee. The current members of the Compensation Committee are Steven K. Gaer, Chair, Michael J. Gerdin and Sean P. McMurray, all of whom are considered “independent” as defined by the Nasdaq listing requirements and “nonemployee” directors under Section 16 of the Exchange Act. As required by the Compensation Committee’s charter, the members of the Compensation Committee are elected annually by the independent directors of the Board. The Compensation Committee annually reviews the Company’s compensation and benefit programs, including compensation for the named executive officers. The Compensation Committee determines the compensation plans for the named executive officers. The Compensation Committee makes compensation recommendations to the Board concerning the amount and the form of director compensation. The independent directors of the Board ultimately determine director compensation. The Compensation Committee has authority to retain consultants and advisors, which it does periodically. The Compensation Committee first retained F.W. Cook in July 2011 to provide the Compensation Committee with independent, objective analysis and professional opinions on executive compensation matters. F.W. Cook has been determined by the Compensation Committee to be independent, reports directly to the Chair of the Compensation Committee, and performs no other work for the Company.

The Compensation Committee may delegate any of its authorities to a sub-committee, but has not done so to date. The Compensation Committee considers input from the executive officers concerning executive and other compensation but is not required to do so. The Compensation Committee met three times during 2018. The functions of the Compensation Committee are detailed at length in its charter, which may be viewed on the Company’s website ([www.westbankstrong.com](http://www.westbankstrong.com)) under Investor Relations, Corporate Information, Corporate Governance. Additional details about the Compensation Committee’s processes and procedures are discussed under “Executive Compensation” below.

Nominating and Corporate Governance Committee. The current members of the Nominating and Corporate Governance Committee are George D. Milligan, Chair, Kaye R. Lozier and Robert G. Pulver, all of whom are considered “independent” as defined by Nasdaq listing requirements. Mrs. Lozier will no longer serve on the Nominating and Corporate Governance Committee following the Annual Meeting. As required by the Nominating and Corporate Governance Committee’s charter, the members of the Nominating and Corporate Governance Committee are elected annually by the independent directors of the Board. The Nominating and Corporate Governance Committee makes recommendations to the Board regarding the composition and structure of the Board and nominations for election of directors, including the director nominees proposed in this proxy statement. It develops policies and processes regarding principles of corporate governance in order to ensure the Board’s compliance with its fiduciary duties to the Company and its stockholders. The Nominating and Corporate Governance Committee will consider for nomination at the 2020 annual meeting of stockholders, as part of its nomination process, any director candidate recommended by a stockholder who follows the procedures described in the “General Matters—2020 Stockholder Proposals” section of this proxy statement.

The Nominating and Corporate Governance Committee follows the process described below when identifying and evaluating nominees to the Board:

Procedures for identifying candidates:

- a) Review current directors of the Company;
- b) Review current directors of West Bank;
- c) Solicit input from existing directors and executive officers; and
- d) Review submissions from stockholders, if any.





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The following criteria will be considered when evaluating nominee candidates, including candidates recommended by stockholders:

a) Composition

The Board should be composed of:

1. Directors chosen with a view of bringing to the Board a variety of experiences and backgrounds;
2. Directors who have a high level of managerial experience or are accustomed to dealing with complex challenges;  
and
3. Directors who will represent the best interests of the stockholders as a whole rather than special interest groups or constituencies, while also taking into consideration the assessment of the overall composition and needs of the Board.

The Nominating and Corporate Governance Committee also evaluates potential nominees to determine if they have any conflicts of interest that may interfere with their ability to serve as effective board members, to determine if they meet the Company's age eligibility requirements (a person who has attained or will attain age 73 before the date of the annual meeting is not eligible for election to the Board), and to determine whether they are "independent" in accordance with SEC rules and Nasdaq listing requirements. A majority of the Board's directors are required to be independent under the criteria for independence created by the SEC and Nasdaq. Although it does not have a formal diversity policy, the Nominating and Corporate Governance Committee has historically considered diversity in its director nomination process.

b) Selection Criteria

In considering possible candidates for nomination as a director, the Nominating and Corporate Governance Committee considers the following general guidelines and criteria:

1. Each director should be of the highest character and integrity, have experience at or demonstrated understanding of strategy/policy setting, and have a reputation for working constructively with others;
2. Each director should have sufficient time available to devote to the affairs of the Company in order to effectively carry out the responsibilities of a director;
3. Each director should be free of any conflict of interest that would interfere with the proper performance of his or her responsibilities as a director, including his or her responsibilities as a member of any committee of the Board; and
4. The Chief Executive Officer is expected to be a director. Other members of senior management may be nominated to be directors, but Board membership is not necessary or a prerequisite for senior executive positions.

The Nominating and Corporate Governance Committee evaluates all candidates in the same way, reviewing the aforementioned factors, among others, regardless of the source of such candidates, including stockholder recommendations. Because of this, there is no separate policy with regard to consideration of candidates recommended by stockholders.

The Nominating and Corporate Governance Committee met five times during 2018. The functions of the Nominating and Corporate Governance Committee are detailed at length in its charter, which may be viewed on the Company's website ([www.westbankstrong.com](http://www.westbankstrong.com)) under Investor Relations, Corporate Information, Corporate Governance.



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Risk Management and Information Technology Committee. The Risk Management and Information Technology Committee members are Sean P. McMurray, Chair, Lou Ann Sandburg and Steven T. Schuler, all of whom are considered “independent” as defined by Nasdaq listing requirements. As required by the Risk Management and Information Technology Committee’s charter, the members of the Risk Management and Information Technology Committee are elected annually by the Board. The Risk Management and Information Technology Committee is charged with being the primary Board committee to actively monitor and oversee the enterprise risk management process for the Company and West Bank. The Risk Management and Information Technology Committee regularly reviews ongoing or pending litigation, credit metrics, trends and compliance with established lending limits, investment portfolio performance and potential risks, information technology and cybersecurity risks, and potential reputational risks facing the Company. The Risk Management and Information Technology Committee also monitors liquidity, cash flow, regulatory and strategic risks, as well as reviewing risk disclosures in the Company’s financial statements and other public filings. On an annual basis, the Risk Management and Information Technology Committee reviews policies and procedures regarding risk management, including insurance coverage, business continuity, information and cybersecurity, and regulatory policies. The Risk Management and Information Technology Committee reviews its charter at least annually and recommends changes to the Board when it deems necessary. The Risk Management and Information Technology Committee met four times during 2018. The functions of the Risk Management and Information Technology Committee are detailed at length in its charter, which may be viewed on the Company’s website ([www.westbankstrong.com](http://www.westbankstrong.com)) under Investor Relations, Corporate Information, Corporate Governance.

Code of Ethics

We have a Code of Conduct in place that applies to all of our directors, officers and employees. The Code of Conduct sets forth the standard of ethics that we expect all of our directors, officers and employees to follow, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Code of Conduct may be viewed on the Company’s website ([www.westbankstrong.com](http://www.westbankstrong.com)) under Investor Relations, Corporate Information, Corporate Governance. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding any amendment to or waiver of the Code of Conduct with respect to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, and persons performing similar functions, by posting such information on our website. The Audit Committee reviewed the Company’s Code of Conduct during 2018 and recommended minor changes to the Board, which the Board implemented.

Board Leadership Structure

The Board believes that having a non-chief executive officer director serve as Chairman of the Board is in the best interests of stockholders. The Board currently intends to maintain the leadership structure of a non-chief executive officer chairman. The Board and its Nominating and Corporate Governance Committee believe that this structure will continue to be useful in providing consistent oversight and strategic direction to the Company. The Board expects Mr. Nelson to take the lead in developing strategic plans, providing day-to-day leadership and managing the performance of the Company. The Board intends to periodically review its leadership structure and make changes as dictated by the circumstances and the best interests of the stockholders.

Board’s Role in Risk Oversight

The Board performs its risk oversight function through the Audit, Compensation, Nominating and Corporate Governance, and Risk Management and Information Technology Committees, which report to the whole Board and are composed solely of independent directors. This structure has provided greater Board awareness of policy and operational issues at the Company.

The Board's Audit Committee, which also functions as West Bank's Audit Committee, reviews with management the Company's major financial risk exposures, including policies regarding employee conduct, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies related to controls over financial reporting. These reviews are completed at least annually. In addition, the Audit Committee has quarterly executive sessions with both the Company's independent and internal auditors concerning any topic of concern to the auditors. Internal auditing is done by an independent public accounting firm retained by the Audit Committee. The Audit Committee also retains and receives an annual report from an independent public accounting firm employed specifically to review West Bank's trust department.

The Compensation Committee, in accordance with its charter, at least annually reviews all compensation policies, practices, and plans of the Company to determine whether they encourage excessive risk-taking or pose any other threat to the safety and soundness of the Company or West Bank, or are otherwise inconsistent with the stockholders' long-term best interests.

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The Nominating and Corporate Governance Committee reviews at least annually all policies and practices related to the governance of the Company. In addition, it periodically reviews Board succession plans.

The Risk Management and Information Technology Committee is charged with identifying and assessing the risks facing the Company and overseeing the development, implementation and monitoring of the Company's risk management process. The Risk Management and Information Technology Committee also oversees the division of risk-related responsibilities to each of the other Board committees. The Risk Management and Information Technology Committee oversees and reviews with management the Company's credit, market, liquidity, reputation, transactional and operational, regulatory, information technology, cybersecurity, strategic and similar risks. On an annual basis, the Risk Management and Information Technology Committee reviews risk assessments, policies and procedures regarding risk management, information technology and safety, and liquidity.

Nominating and Corporate Governance Committee Report

During 2018, the Nominating and Corporate Governance Committee reviewed the composition of the existing Board giving specific attention to the questions of the desirable size of the Board and how many insiders should be on the Board. The Board has a policy that no Board member should be nominated for election to the Board who has attained or will attain the age of 73 years on or before the date of the forthcoming annual stockholders meeting and election of directors. One current director is affected by this policy. Kaye R. Lozier will retire from the Board effective as of the date of the Annual Meeting. Based on its review of the Board composition after the upcoming retirement, the Nominating and Corporate Governance Committee decided to recommend maintaining the size of the Board at 12 directors. In planning for the retirement, the Nominating and Corporate Governance Committee performed a search for a new director, following its established processes and evaluation criteria. Therese M. Vaughan was recommended by West Bancorporation, Inc.'s Chief Executive Officer and President. The Nominating and Corporate Governance Committee took action in January 2019 to recommend the addition of Dr. Vaughan as a director. In addition, the Nominating and Corporate Governance Committee decided that it was in the best interest of the stockholders to continue the model of having only one member of management, the Chief Executive Officer, on the Board in order to clearly differentiate the roles of the Board and management.

The Nominating and Corporate Governance Committee also evaluated the qualifications and performance of each of the current members of the Board. In its evaluation, the Nominating and Corporate Governance Committee compared each of the current directors to the qualifications and characteristics of a director set forth in the Nominating and Corporate Governance Committee's charter. The Nominating and Corporate Governance Committee then polled each director eligible to stand for re-election to determine his or her willingness to stand for re-election and determined that each director was willing to continue service. The Nominating and Corporate Governance Committee did not receive any stockholder recommendations for director nominees for the Annual Meeting. No third party was retained, in any capacity, to provide assistance in either identifying or evaluating potential director nominees for the Annual Meeting.

Based on the foregoing, the Nominating and Corporate Governance Committee recommended to the Board that Steven K. Gaer, Michael J. Gerdin, Sean P. McMurray, David R. Milligan, George D. Milligan, David D. Nelson, James W. Noyce, Robert G. Pulver, Lou Ann Sandburg, Steven T. Schuler and Philip Jason Worth should be nominated for re-election to the Board at the Annual Meeting. The Board also nominated Therese M. Vaughan for election to the Board at the Annual Meeting. The Board accepted these recommendations.

During 2018, the Nominating and Corporate Governance Committee reviewed its charter, and minor changes were recommended to the Board, which the Board implemented.

The undersigned members of the Nominating and Corporate Governance Committee have submitted this report.

George D. Milligan, Chair  
Kaye R. Lozier  
Robert G. Pulver

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## 2018 Director Compensation

At the beginning of 2018, the directors of the Company received an annual retainer of \$10,000, payable quarterly. Effective April 26, 2018, the annual retainer was increased to \$15,000 for each director. Committee chairpersons received an additional \$2,000 annual retainer. Directors also received \$500 per meeting attended (Board and committee). Members of the Audit Committee received \$600 per Audit Committee meeting attended. At the beginning of 2018, Mr. David Milligan also received a monthly fee of \$2,500 for his service as Chairman of the Board. At the annual organizational meeting of the Board on April 26, 2018, Mr. James Noyce was selected as the new Chairman of the Board and began receiving a monthly fee of \$2,500 for his service. He maintains an office at the Company's headquarters.

Directors of the Company also received an annual retainer of \$6,500 for service as directors of West Bank at the beginning of 2018. Effective April 26, 2018, the annual retainer was increased to \$7,500 for each director. West Bank directors also receive \$500 for each meeting attended (Board and committee). At the annual organizational meeting of the Board on April 26, 2018, each director was granted a restricted stock unit award for 2,000 shares of the Company's common stock with a grant date of April 27, 2018. Messrs. Nelson, Gulling, Olafson and Winterbottom are employees and do not receive any compensation for services as directors of the Company or West Bank.

None of the directors receive any compensation or other payment in connection with his or her service as a director other than compensation received by the Company and West Bank as set forth below.

The following table sets forth all compensation earned or paid to our nonemployee directors for the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash by Company	Fees Earned or Paid in Cash by West Bank	Stock Awards (1)	Total
Frank W. Berlin <sup>(2)</sup>	\$6,333	\$5,667	\$	—\$12,000
Joyce A. Chapman <sup>(2)</sup>	6,033	3,667	—	9,700
Steven K. Gaer	18,167	17,167	48,579	83,913
Michael J. Gerdin	17,833	12,167	48,579	78,579
Kaye R. Lozier	18,833	14,167	48,579	81,579
Sean P. McMurray	20,833	12,167	48,579	81,579
David R. Milligan	28,733	20,167	48,579	97,479
George D. Milligan	20,833	18,667	48,579	88,079
James W. Noyce	44,900	16,167	48,579	109,646
Robert G. Pulver	18,333	17,667	48,579	84,579
Lou Ann Sandburg	18,333	14,167	48,579	81,079
Steven T. Schuler	21,567	12,167	48,579	82,313
Philip Jason Worth	18,733	12,167	48,579	79,479

The amounts set forth in the "Stock Awards" column reflect the grant date fair value of restricted stock units awarded on April 27, 2018, valued in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. For the material assumptions used in calculating grant date fair value, see (1) the discussion of equity awards in Note 12 of the Notes to the Consolidated Financial Statements for the Company's financial statements for the year ended December 31, 2018. Each nonemployee director was granted a restricted stock unit award for 2,000 shares of the Company's common stock with a vesting date of April 25, 2019. These were the only outstanding nonemployee director equity awards as of December 31, 2018.

(2) Mr. Berlin and Ms. Chapman served on the Board through the date of the Company's 2018 annual meeting of stockholders.





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Executive Officers of the Company