OLD NATIONAL BANCORP /IN/
Form DEF 14A
March 27, 2008

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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 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

OLD NATIONAL BANCORP

(Name of Registrant as Specified In Its Charter)

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

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o 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:

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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):

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Old National Bancorp
One Main Street
Evansville, Indiana 47708

Notice of Annual Meeting of Shareholders

To Our Shareholders:

The 2008 Annual Meeting of Shareholders of Old National Bancorp (the Company) will be held at the Red Skelton Performing Arts Center on the Vincennes University Campus, 20 Portland Avenue, Vincennes, Indiana 47591 on Thursday, May 15, 2008, at 10:00 a.m. Eastern Daylight Time/9:00 a.m. Central Daylight Time for the following purposes:

(1) The election of the Company s Board of Directors consisting of eleven Directors to serve for one year and until the election and qualification of their successors.

(2) Approval of the Old National Bancorp 2008 Incentive Compensation Plan.

(3) Ratification of the appointment of Crowe Chizek and Company LLC as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2008.

(4) Transaction of such other matters as may properly come before the meeting or any adjournments and postponements thereof.

Common shareholders of record at the close of business on March 7, 2008 are entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors

Jeffrey L. Knight
Executive Vice President, Chief Legal Counsel and Corporate Secretary

March 27, 2008

IMPORTANT

Please submit your proxy promptly by mail or by Internet. In order that there may be proper representation at the meeting, you are urged to complete, sign, date and return the enclosed proxy in the envelope provided or vote by Internet, whether or not you plan to attend the meeting. No postage is required if mailed in the United States.

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Old National Bancorp
One Main Street
Evansville, Indiana 47708

Proxy Statement

For the Annual Meeting of Shareholders
to be held on May 15, 2008, at 10:00 a.m. EDT (9:00 a.m. CDT/Evansville time)
at the Red Skelton Performing Arts Center Vincennes University Campus
20 Portland Avenue, Vincennes, IN 47591

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be held on May 15, 2008.

The Proxy Statement and 2007 Annual Report to Shareholders is available at
http://www/snl.com/irweblinkx/docs.aspx?iid=100391.

General Information about the Annual Meeting of Shareholders and Voting

Why am I receiving these materials?

This Proxy Statement and the enclosed proxy materials relate to the Annual Meeting of Shareholders (Annual Meeting) of Old National Bancorp (the Company or Old National) to be held on May 15, 2008, at 10:00 a.m. Eastern Daylight Time (Vincennes time), 9:00 a.m. Central Daylight Time (Evansville time). These proxy materials are being furnished by the Company in connection with a solicitation of proxies by the Company s Board of Directors (the Board) and are being mailed on or about March 27, 2008.

Where is the Annual Meeting?

The Annual Meeting will be held at the Red Skelton Performing Arts Center on the Campus of Vincennes University, 20 Portland Avenue, Vincennes, Indiana 47591.

Shareholders will be admitted to the Annual Meeting beginning at 9:00 a.m. Eastern Daylight Time. Seating will be limited.

Driving directions are as follows:

From the north via US 41 (from Terre Haute)

Exit from US 41 onto 6th Street.
Turn right onto State Street.
Turn left onto 2nd Street.
Turn right onto Portland Avenue.
The Red Skelton Center is on the left.
Parking is on the right.

From the south via US 41 (from Evansville)

Exit from US 41 onto Hart Street.
Turn right onto 2nd Street.
Turn left onto Portland Avenue.
The Red Skelton Center is on the left.
Parking is on the right.

Who can attend the Annual Meeting?

Only shareholders of the Company of record as of March 7, 2008 (the Record Date), their authorized representatives and guests of the Company may attend the Annual Meeting. Admission will be by ticket only.

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How do I receive an admission ticket?

If you are a registered shareholder (your shares are held in your name) and plan to attend the meeting, your Annual Meeting admission ticket can be detached from the top portion of the proxy card.

If your shares are held in street name (in the name of a bank, broker or other holder of record) and you plan to attend the meeting, you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the Record Date for admittance to the meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting.

Who may vote at the Annual Meeting?

These proxy materials are provided to holders of the Company s common stock who were holders of record on the Record Date. Only the Company s common shareholders of record on the Record Date are entitled to vote at the Annual Meeting. On the Record Date 66,372,011 shares of the Company s common stock were outstanding.

As of the Record Date, to the knowledge of the Company, no person or firm, other than the Company, beneficially owned more than 5% of the common stock of the Company outstanding on that date. As of March 7, 2008, no individual Director, nominee or officer beneficially owned more than 5% of the common stock of the Company outstanding.

As of the Record Date, to the knowledge of the Company, only the Company indirectly beneficially owned more than 5% of the outstanding common stock of the Company. The Company indirectly owned 2,066,656 shares of common stock of the Company, which constituted 3.11% of the outstanding common stock of the Company on that date. These shares are held in various fiduciary capacities through the Company s wholly-owned trust company.

How do I vote if I am a registered shareholder?

Each share of the Company s common stock outstanding on the Record Date will be entitled to one vote at the Annual Meeting. Proxy cards are enclosed to facilitate voting.

If you are a shareholder whose shares are registered in your name, you may vote your shares in person at the meeting or by one of the following methods indicated below. Execution of the enclosed proxy card or voting via the Internet will not affect your right to attend the Annual Meeting. If you vote by Internet, please do not mail your proxy card. If you vote by Internet and you submit a proxy card, only the most recently submitted vote will be counted.

Vote by Proxy Card: by completing, signing, dating and mailing the enclosed proxy card in the envelope provided; or

Vote by Internet: by going to the web address www.oldnational.com and following the simple online instructions for Internet voting.

If your shares are held in street name, your broker will provide you with materials and instructions for voting your shares.

Shares of the Company s common stock for which instructions are received will be voted in accordance with the shareholder s instructions. If you send in your proxy card or use Internet voting, but do not specify how you want to vote your shares, the proxy holders will vote them FOR each of the items being proposed by the Board and in the discretion of the proxy holders as to any other business that may properly come before the Annual Meeting and any adjournment or postponements thereof.

Can I change my vote after I return the proxy card or after voting electronically?

If you are a shareholder whose shares are registered in your name, you may revoke your proxy at any time before it is voted by one of the following methods:

Submitting another proper proxy with a more recent date than that of the proxy first given by:

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(1) following the Internet voting instructions, or

(2) completing, signing, dating and returning a proxy card to the Company s Corporate Secretary.

Sending written notice of revocation to the Company s Corporate Secretary.

Attending the Annual Meeting and voting by ballot (although attendance at the Annual Meeting will not, in and of itself, revoke a proxy).

If you hold your shares in street name through a broker, you may revoke your proxy by following instructions provided by your broker. No notice of revocation or later-dated proxy will be effective until received by the Company s Corporate Secretary at or prior to the Annual Meeting.

Will the Annual Meeting be webcast?

Our Annual Meeting will be webcast on May 15, 2008. You are invited to visit www.oldnational.com at 10:00 a.m. Eastern Daylight Time on May 15, 2008, to access the webcast of the meeting. Registration for the webcast is not required. An archived copy of the webcast will also be available on our website through May 14, 2009.

How many votes are needed to have the proposals pass?

Election of Directors. A plurality of the votes cast at the meeting is required to elect directors. This means that the Director nominee with the most votes for a particular slot is elected for that slot. You may vote for or withheld with respect to the election of directors. Only votes for or withheld are counted in determining whether a plurality has been cast in favor of a Director. Abstentions are not counted for purposes of the election of Directors.

On July 27, 2006, our Board adopted a corporate governance policy regarding director elections that is contained in our Corporate Governance Guidelines. The policy provides that in any uncontested election, any nominee for director who receives a greater number of votes withheld for his or her election than votes for such election will tender his or her resignation as a director promptly following the certification of the shareholder vote. The Corporate Governance and Nominating Committee, without participation by any director so tendering his or her resignation, will consider the resignation offer and recommend to the Board whether to accept it. The Board, without participation by any director so tendering his or her resignation, will act on the Corporate Governance and Nominating Committee s recommendation no later than 90 days following the date of the Annual Meeting at which the election occurred. If the Board decides to accept the director s resignation, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill the resulting vacancy or to reduce the size of the Board. We will promptly disclose the Board s decision and the reasons for the decision in a broadly disseminated press release that will also be furnished to the Securities and Exchange Commission (SEC) on Form 8-K.

Approval of the 2008 Incentive Compensation Plan. The approval of the Old National Bancorp 2008 Incentive Compensation Plan requires the affirmative vote of a majority of the shares present in person or by proxy at the meeting.

Ratification of Independent Registered Public Accounting Firm. The affirmative vote of a majority of the shares present in person or by proxy is required for ratification of the appointment of Crowe Chizek and Company LLC as the independent registered public accounting firm of the Company for fiscal year 2008.

What is householding ?

We have adopted a procedure called householding, which has been approved by the SEC. Under this procedure, a single copy of the annual report and proxy statement will be sent to any household at which two or more shareholders reside if they appear to be members of the same family, unless one of the shareholders at that address notifies us that they wish to receive individual copies. This procedure reduces our printing costs and fees.

Shareholders who participate in householding will continue to receive separate proxy cards.

Householding will not affect dividend check mailings in any way.

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If a single copy of the annual report and proxy statement was delivered to an address that you share with another shareholder, at your written or oral request to the Company s Shareholder Services Department at 812-464-1296 or 1-800-677-1749, at P.O. Box 929, Evansville, Indiana 47706-0929, or via email to shareholderservices@oldnational.com, we will promptly deliver a separate copy.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker, or other holder of record to request information about householding.

How are abstentions and broker non-votes treated?

Abstentions or broker non-votes will not be voted for or against any items or other matters presented at the meeting. Abstentions will be counted for purposes of determining the presence of a quorum at the Annual Meeting, but broker non-votes will not be counted for quorum purposes if the broker has failed to vote as to all matters.

With respect to the election of directors, abstentions, broker non-votes and instructions on the enclosed form of proxy to withhold authority to vote for one or more of the nominees will result in the nominee receiving fewer votes, but will not affect the outcome of the election.

With respect to the proposal to approve the Old National Bancorp 2008 Incentive Compensation Plan, abstentions and broker non-votes will have the same effect as a vote against the proposal, provided that the total votes cast on the proposal represents over 50% in interest of all securities entitled to vote on the proposal.

With respect to the proposal to ratify the selection of the independent accounting firm, abstentions and broker non-votes shall have no effect on the outcome of the vote.

How do I designate my proxy?

If you wish to give your proxy to someone other than the proxies identified on the proxy card, you may do so by crossing out all the names of the proxy members appearing on the proxy card and inserting the name of another person. The signed card must be presented at the Annual Meeting by the person you have designated on the proxy card.

Who will pay for the costs involved in the solicitation of proxies?

The Company will pay all costs of preparing, assembling, printing and distributing the proxy materials. In addition to solicitations by mail, Directors and Officers of the Company and its subsidiaries may solicit proxies personally, by telephone or in person, telefax and electronic mail, but such persons will not be specially compensated for their services.

We will, upon request, reimburse brokerage firms and others for their reasonable expenses incurred for forwarding solicitation material to beneficial owners of stock.

Other Matters Related to the Meeting

Only matters brought before the Annual Meeting in accordance with the Company s By-laws will be considered. Aside from the items listed above in the Notice of Annual Meeting, the Company does not know of any other matters that will be presented at the Annual Meeting. However, if any other matters properly come before the Annual Meeting or any adjournment, the proxy holders will vote them in accordance with their best judgment.

Should any nominee for Director become unable or unwilling to accept nomination or election, the persons acting under the proxy intend to vote for the election of another person recommended by the Corporate Governance and Nominating Committee of the Board and nominated by the Board. The Company has no reason to believe that any of the nominees will be unable or unwilling to serve if elected to office.

Report of the Corporate Governance and Nominating Committee and Other Board Matters

The Corporate Governance and Nominating Committee is primarily responsible for corporate governance matters affecting the Company and its subsidiaries. The Corporate Governance and Nominating Committee operates under a written charter which conforms to the requirements of the SEC and the New York Stock Exchange (NYSE).

Role and Functioning of the Board

The Board, which is elected by the shareholders, selects the Executive Leadership Group (ELG), which is the executive management team charged with the conduct of the Company s business. Having selected the ELG, the Board acts as an advisor and counselor to management and ultimately monitors its performance. The Board has the responsibility for overseeing the affairs of the Company and, thus, an obligation to keep informed about the Company s business. This involvement enables the Board to provide guidance to management in formulating and developing plans and to exercise its decision-making authority on appropriate matters of importance to the Company. Acting as a full Board and through the Board s six standing committees, the Board oversees and approves the Company s strategic plan. The Board regularly reviews the Company s progress against its strategic plan and exercises oversight and decision-making authority regarding strategic areas of importance to the Company.

The Company s Corporate Governance Guidelines provide for a non-executive Chairman (currently Larry E. Dunigan), who acts as chair of meetings of the Board; leads executive sessions of the Board; consults and meets with any or all outside directors as required and represents such directors in discussions with management of the Company on corporate governance issues and other matters; ensures that the Board, Committees of the Board, individual directors and management of the Company understand and discharge their duties and obligations under the Company s system of corporate governance; mentors and counsels new members of the Board to assist them in becoming active and effective directors; leads the Board in the annual evaluation of the CEO s performance; acts in an advisory capacity to the president and CEO in all matters concerning the interests of the Board and relationships between management and the Board; and performs such other duties and responsibilities as may be delegated to the non-executive Chairman by the Board from time to time.

Executive sessions, or meetings of outside Directors without management present, are held at regular intervals for both the Board and the Committees. Mr. Dunigan, as the non-executive Chairman of the Company, serves as the presiding director of the executive session meetings of the non-management Directors of the Board. The Board meets in executive session a minimum of four times each year.

The Board met five times during 2007. Each Director attended 93% or more of Board meetings and meetings of Committees on which they served in 2007. Directors as a group attended an average of 98% of the Board meetings and meetings of Committees on which they served in 2007.

Corporate Governance and Nominating Committee Scope of Responsibilities

The Corporate Governance and Nominating Committee has responsibility for recruiting and nominating new Directors, assessing the independence of non-management Directors, leading the Board in its annual performance evaluation, reviewing and assessing the adequacy of the Corporate Governance Guidelines and retaining outside advisors as needed to assist and advise the Board with respect to legal and other accounting matters. The Corporate Governance and Nominating Committee is also responsible for reviewing with the full Board, on an annual basis, the requisite skills and characteristics of Board members as well as the composition of the Board as a whole.

Attendance at Annual Meetings

The Company has not established a formal policy regarding Director attendance at its Annual Meeting, but it encourages all Directors to attend these meetings and reimburses expenses associated with attendance. The non-executive Chairman presides at the Annual Meeting. All the Directors attended the Annual Meeting in 2007 with the exception of Charles Storms.

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Code of Conduct and Code of Ethics

The Board has adopted the Code of Business Conduct and Ethics that sets forth important company policies and procedures in conducting our business in a legal, ethical and responsible manner. These standards are applicable to all of our directors and employees, including the Company s Chief Executive Officer, Chief Financial Officer and Controller. In addition, the Audit Committee has adopted the Code of Ethics for CEO and Senior Financial Officers that supplements the Code of Business Conduct and Ethics by providing more specific requirements and guidance on certain topics. The Code of Ethics for CEO and Senior Financial Officers applies to the Company s Chief Executive Officer, Chief Financial Officer and Controller. The Code of Business Conduct and Ethics and the Code of Ethics for CEO and Senior Financial Officers are available on our website at www.oldnational.com. We will post any material amendments to, or waivers from, our Code of Business Conduct and Ethics and Code of Ethics for Senior Financial Officers on our website within two days following the date of such amendment or waiver.

Employees are required to report any conduct they believe in good faith to be an actual or apparent violation of our Codes of Conduct. In addition, as required under the Sarbanes-Oxley Act of 2002, the Audit Committee has established confidential procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters.

Corporate Governance Guidelines

The Board has adopted the Corporate Governance Guidelines that, along with the Company s corporate charter, By-laws and charters of the various committees of the Board, provide the foundation for the Company s governance. Among other things, our Corporate Governance Guidelines set forth the (i) minimum qualifications for the Directors; (ii) independence standards for the Directors, (iii) responsibilities of the Directors; (iv) majority vote standard election of directors; (v) committees of the Board, (vi) access of Directors to the officers and employees of the Company; (vii) Directors compensation; (viii) procedures for Director orientation and development; (ix) procedures for an annual review of the CEO and management succession planning; (x) stock ownership guidelines for executives and directors; and (xi) procedures for an annual self-evaluation of the Board.

Communications from Shareholders to Directors

The Board believes that it is important that a direct and open line of communication exist between the Board and the Company s shareholders and other interested parties. As a consequence, the Board has adopted the procedures described in the following paragraph for communications to Directors.

Any shareholder or other interested party who desires to contact Old National s Chairman or the other members of the Board may do so by writing to: Board of Directors, c/o Corporate Secretary, Old National Bancorp, P.O. Box 718, Evansville, IN 47705-0718. Communications received are distributed to the non-executive chairman or other members of the Board, as appropriate, depending on the facts and circumstances outlined in the communication received. For example, if any complaints regarding accounting, internal accounting controls and auditing matters are received, then they will be forwarded by the Corporate Secretary to the Chairman of the Audit Committee for review.

Policy Regarding Consideration of Director Candidates Recommended by Shareholders

The Company s nomination procedures for directors are governed by its By-Laws. Each year the Corporate Governance and Nominating Committee makes a recommendation to the entire Board of nominees for election as directors. The Corporate Governance and Nominating Committee will review suggestions from shareholders regarding nominees for election as directors. All such suggestions from shareholders must be submitted in writing to the Corporate Governance and Nominating Committee at the Company s principal executive office not less than 120 days in advance of the date of the annual or special meeting of shareholders at which directors are to be elected. All written suggestions of shareholders must set forth (i) the name and address of the shareholder making the suggestion, (ii) the number and class of shares owned by such shareholder, (iii) the name, address and age of the suggested nominee for election as Director, (iv) the nominee s principal occupation during the five years preceding the date of suggestion, (v) all other information concerning the nominee as would be required to be included in the proxy statement used to solicit proxies for the election of the suggested nominee, and (vi) such other information as the Corporate Governance and Nominating Committee may reasonably request. Consent of the suggested nominee to serve as a Director of the Company, if elected, must also be included with the written suggestion.

In seeking individuals to serve as directors, the Corporate Governance and Nominating Committee seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise. Directors should have an active interest in the business of the Company, possess a willingness to represent the best interests of all shareholders, be able to objectively appraise management performance, possess the highest personal and professional ethics, integrity and values, and be able to comprehend and advise management on complicated issues that face the Company and Board.

Directors should also demonstrate achievement in one or more fields of business, professional, governmental, communal, scientific or educational endeavor. Directors are expected to have sound judgment, borne of management or policy making experience that demonstrates an ability to function effectively in an oversight role. In addition, directors should have a general appreciation regarding major issues facing public companies of a size and operational scope similar to that of the Company. These issues include contemporary governance concerns, regulatory obligations of an SEC reporting financial holding company, strategic business planning and basic concepts of corporate finance.

Determination with Respect to the Independence of Directors

It is the policy of the Board that a majority of its members be independent from management, and the Board has adopted Director Independence Standards that meet the listing standards of the NYSE. The portion of our Corporate Governance Guidelines addressing our Director Independence Standards is attached to this proxy statement as Appendix I.

In accordance with our Corporate Governance Guidelines, the Board undertook its annual review of Director independence. During this review, the Board considered any and all commercial and charitable relationships of Directors, including transactions and relationships between each Director or any member of his or her immediate family and the Company and its subsidiaries. Following the review, the Board affirmatively determined, by applying the Director Independence Standards contained in the Corporate Governance Guidelines that each of our Directors nominated for election at this Annual Meeting, is independent of the Company and its management in that none has a direct or indirect material relationship with the Company.

The independent Directors of the Company are Joseph D. Barnette, Jr., Alan W. Braun, Larry E. Dunigan, David E. Eckerle (Mr. Eckerle retired from the Board effective May 17, 2007), Niel C. Ellerbrook, Andrew E. Goebel, Phelps L. Lambert, Arthur H. McElwee, Jr., Marjorie Z. Soyugenc, Kelly N. Stanley and Charles D. Storms. The only non-independent Director is President and CEO, Robert G. Jones. Jones is considered an inside Director because of his employment as President and CEO of the Company.

In addition, all members of the Audit Committee, the Compensation and Management Development Committee and the Corporate Governance and Nominating Committee satisfy the standards of independence applicable to members of such committees established under applicable law, the listing requirements of the NYSE and the Director Independence Standards set forth in the Company s Corporate Governance Guidelines.

Director Compensation

All outside Directors of the Company receive an annual retainer of $35,000 for serving on the Board. The outside Directors receive $20,000 of the retainer in cash, while $15,000 of the retainer is paid in Company stock. In addition, outside Directors receive $1,500 for each Board meeting they attend. Directors not otherwise employed by the Company also receive $1,000 for each Committee meeting attended and Audit Committee members receive $1,500 for each Audit Committee meeting attended. The Audit Committee Chairman receives an additional annual retainer of $7,500 and Directors serving as a Committee Chairperson on other committees receive an additional annual retainer of $2,500. The non-executive Chairman of the Board receives an additional annual retainer of

$25,000. Robert G. Jones, President and CEO of the Company and the only inside Director on the Board, receives no compensation for his directorship. For more information on Director Compensation, please refer to pages 41 and 42.

Committees of our Board

The following table lists the membership of the Company s standing Board Committees in 2007.

Director	Audit	Compensation and Management Development	Corporate Governance and Nominating	Funds Management	Risk and Credit Policy	Community and Social Responsibility
Joseph D. Barnette, Jr.		X			Chair	
Alan W. Braun				X	X	X
Larry E. Dunigan	X	X	Chair			
Niel C. Ellerbrook		Chair	X			
Andrew E. Goebel	Chair			X	X	
Robert G. Jones						
Phelps L. Lambert	X		X	Chair		
Arthur H. McElwee, Jr.					X	X
Marjorie Z. Soyugenc	X	X				Chair
Kelly N. Stanley			X			
Charles D. Storms	X			X		X

The members of the Company s Board are elected to various committees. The standing committees of the Board include an Executive Committee, an Audit Committee, a Compensation and Management Development Committee, a Corporate Governance and Nominating Committee, a Funds Management Committee, a Risk and Credit Policy Committee, and a Community and Social Responsibility Committee.

When the Board is not in session, the Executive Committee has all of the power and authority of the Board except with respect to amending the Articles of Incorporation or By-Laws of the Company; approving an agreement of merger or consolidation; recommending to the shareholders the sale, lease or exchange of all or substantially all of the Company s property and assets; recommending to the shareholders a dissolution of the Company or a revocation of such dissolution; declaring dividends; or authorizing the issuance or reacquisition of shares. The Executive Committee did not meet in 2007 and currently does not have any members.

The members of the Audit Committee are Andrew E. Goebel (Chairperson), Larry E. Dunigan, Phelps L. Lambert, Marjorie Z. Soyugenc and Charles D. Storms. The Audit Committee held eight meetings during 2007. The functions of the Audit Committee are described under Report of the Audit Committee on page 45. The Audit Committee has adopted a written charter which has been approved by the Board.

The members of the Corporate Governance and Nominating Committee are Larry E. Dunigan (Chairperson), Niel C. Ellerbrook, Phelps L. Lambert, and Kelly N. Stanley. The Corporate Governance and Nominating Committee met four times in 2007. The functions of the Corporate Governance and Nominating Committee are described under Report of the Corporate Governance and Nominating Committee and Other Board Matters on page 5. The Corporate Governance and Nominating Committee has adopted a written charter which has been approved by the Board.

The members of the Compensation and Management Development Committee are Niel C. Ellerbrook (Chairperson), Joseph D. Barnette, Jr., Larry E. Dunigan and Marjorie Z. Soyugenc. The Compensation and Management Development Committee met five times during 2007. The functions of the Compensation and Management Development Committee are described under Report of the Compensation and Management Development Committee Scope of Responsibilities on page 21. The Compensation and Management Development Committee has adopted a written charter which has been approved by the Board.

The members of the Risk and Credit Policy Committee are Joseph D. Barnette, Jr. (Chairman), Alan W. Braun, Andrew E. Goebel and Arthur H. McElwee, Jr. The Risk and Credit Policy Committee met five times in 2007. The function of the Risk and Credit Policy Committee is to oversee the Company s policies, procedures and practices relating to credit, operation and compliance risk. The Risk and Credit Policy Committee has adopted a written charter which has been approved by the Board.

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The members of the Community and Social Responsibility Committee are Marjorie Z. Soyugenc (Chairperson), Alan W. Braun, Arthur H. McElwee, Jr. and Charles D. Storms. The Community and Social Responsibility Committee met four times in 2007. The Community and Social Responsibility Committee has the responsibility to review the Company s compliance with the Community Reinvestment Act, Fair Lending Practices, associate commitment and diversity, supplier diversity and the Company s Affirmative Action Plan. During 2005, the Community and Social Responsibility Committee approved the formation of the Old National Bank Foundation through which major charitable gifts from the Company will be funded. The Community and Social Responsibility Committee has adopted a written charter which has been approved by the Board.

The members of the Funds Management Committee are Phelps L. Lambert (Chairman), Alan W. Braun, Andrew E. Goebel and Charles D. Storms. The Funds Management Committee met six times during 2007. The function of the Funds Management Committee is to monitor the balance sheet risk profile of the Company, including credit, interest rate, liquidity and leverage risks. The Funds Management Committee is also responsible for reviewing and approving the investment policy for the Company. The Funds Management Committee has adopted a written charter which has been approved by the Board.

In addition to serving on the Corporate Governance and Nominating Committee, Kelly Stanley serves as Chairman of the Old National Trust Company Board of Directors and Chairman of Old National Insurance Board of Directors. Both companies are subsidiaries of the Company.

In addition to serving on the Risk and Credit Policy Committee and the Community and Social Responsibility Committee, Arthur McElwee, Jr. serves on the Old National Insurance Board.

Availability of Corporate Governance Documents

The Company s Corporate Governance Guidelines (including the Director Independence Standards), Board committee charters for the Audit Committee, Corporate Governance and Nominating Committee, and the Compensation and Management Development Committee, as well as the Code of Business Conduct and Ethics, and the Code of Ethics for CEO and Senior Financial Officers can be viewed under the Investor Relations/Corporate Governance link on the Company s website at www.oldnational.com. These documents, as well as charters for all of the Company s Board committees, are available in print to any interested party who requests them by writing to: Corporate Secretary, Old National Bancorp, P.O. Box 718, Evansville, IN 47705-0718.

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Item 1: Election of Directors

The first item to be acted upon at the Annual Meeting is the election of eleven directors to the Board of the Company. Each of the persons elected will serve a term of one year and until the election and qualification of his or her successor.

If any Director nominee named in this proxy statement shall become unable or decline to serve (an event which the Board does not anticipate), the persons named as proxies will have discretionary authority to vote for a substitute nominee named by the Board, if the Board determines to fill such nominee s position. Unless authorization is withheld, the enclosed proxy, when properly signed and returned, will be voted FOR the election as directors of all of the nominees listed in this proxy statement.

The By-Laws of the Company currently provide for the Board to be comprised of 12 Directors. The Board currently contemplates taking action to either reduce the size of the Board to 11 persons or to fill the vacancy. The proxies may not be voted for a greater number of persons than are presently nominated as Directors.

Pages 11 through 13 and page 18 contain the following information with respect to each Director nominee of the Company: name; principal occupation or business experience for the last five years; age; the year in which the nominee or incumbent Director first became a Director of the Company; the number of shares of common stock of the Company beneficially owned by the nominee or incumbent Director as of March 7, 2008; and the percentage that the shares beneficially owned represent of the total outstanding shares of the Company as of March 7, 2008. The number of shares of common stock of the Company shown as being beneficially owned by each Director nominee or incumbent Director includes those over which he or she has either sole or shared voting or investment power.

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Listed below is certain biographical information of each of the nominees for election including his or her principal occupation and other business affiliations.

Nominees for Director to be Elected

Joseph D. Barnette, Jr.

Age:	68
Director Since:	2005
Principal Occupation since 2002:	President of the Sexton Companies, apartment developers/managers.

Alan W. Braun

Age:	63
Director Since:	1988
Principal Occupation since 2002:	Chairman, President and CEO of Industrial Contractors, Inc., a construction company, since 2004. Chairman and CEO of Industrial Contractors, Inc. from 2002 to 2004.

Larry E. Dunigan

Age:	65
Director Since:	1982
Principal Occupation since 2002:	Chief Executive Officer of Holiday Management Company, a healthcare services company. President, Holiday Management Foundation, a non-profit foundation.

Niel C. Ellerbrook

Age:	59
Director Since:	2002
Principal Occupation since 2002:	Chairman and CEO of Vectren Corporation, an

energy holding company, since 2007. Chairman, President and CEO of Vectren Corporation from 2003 to 2007 and Chairman and CEO of Vectren Corporation in 2002.

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Andrew E. Goebel

Age:	60
Director Since:	2000
Principal Occupation since 2002:	Financial and management consultant since 2003. President and COO of Vectren Corporation, an energy holding company, from 2002 to 2003.

Robert G. Jones

Age:	51
Director Since:	2004
Principal Occupation since 2002:	President and CEO, Old National Bancorp, since 2004. CEO of McDonald Investments, Inc., a subsidiary of KeyCorp, a financial services company, from 2002 to 2004.

Phelps L. Lambert

Age:	60
Director Since:	1990
Principal Occupation since 2002:	Managing Partner of Lambert and Lambert, investments.

Arthur H. McElwee, Jr.

Age:	65
Director Since:	2007
Principal Occupation since 2002:	President of Toefco Engineered Coating Systems, Inc., an industrial coatings application company.

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Marjorie Z. Soyugenc

Age:	67
Director Since:	1993
Principal Occupation since 2002:	Executive Director and CEO, Welborn Baptist Foundation, Inc., a non-profit foundation, sine 2004. Executive Director and CEO, WBH Evansville, Inc. and Welborn Baptist Foundation, Inc., non-profit foundations, 2002 to 2004.

Kelly N. Stanley

Age:	64
Director Since:	2000
Principal Occupation since 2002:	President and CEO of Cardinal Health System, Inc., a health services network, since 2007. President of BMH Foundation, Inc., a non-profit corporation, from 2003 to 2007, and President and CEO of Ontario Corporation, a diversified technology/ manufacturing company, from 2002 to 2003.

Charles D. Storms

Age:	64
Director Since:	1988
Principal Occupation since 2002:	Chairman, President and CEO of Red Spot Paint & Varnish Co., Inc., a manufacturer of industrial coatings.

Our Board unanimously recommends that you vote FOR the election of the eleven candidates for Director.

Item 2: Approval of Old National Bancorp 2008
Incentive Compensation Plan

The second item to be acted upon at the Annual Meeting is the approval of the Old National Bancorp 2008 Incentive Compensation Plan (the 2008 Plan), adopted on January 17, 2008 by the Company s Board of Directors (the Board). The Board s Adoption of the Incentive Plan is subject to approval by the shareholders at the Annual Meeting.

The Board believes that stock-based and other types of incentive compensation payable in stock and/or cash enable us to attract and retain talented employees and provide an incentive for those employees to increase our value. In addition, the Board believes stock ownership is important because it aligns our employees interests with the interests of our shareholders.

The Board adopted the 2008 Plan because only approximately three hundred sixty thousand (360,000) of the three million eight hundred thousand (3,800,000) shares [seven million six hundred thirty-eight thousand five hundred forty-five (7,638,545) shares after adjustment for stock splits and dividends] of our common stock originally approved for issuance under the 1999 Equity Incentive Plan remain available for issuance. The 2008 Plan becomes effective upon shareholder approval. Immediately after that approval, the Board will terminate the 1999 Plan, and any unused shares from the 1999 Plan will be added to the 2008 Plan as described below under Shares Subject to Plan. The following summary of the material features of the 2008 Plan is qualified in its entirety by reference to the full text of the 2008 Plan, which is set out in Appendix II to this Proxy Statement.

Eligibility and Types of Awards

The Compensation and Management Development Committee (Compensation Committee), in its discretion, may grant an award under the 2008 Plan to any employee of the Company or an affiliate. The 2008 Plan provides for the following types of awards with respect to shares of the Company s common stock: incentive stock options, nonqualified stock options, stock appreciation rights, restricted shares, unrestricted shares, and performance shares. The Compensation Committee may also grant performance units and short-term incentive awards as provided in the 2008 Plan. The 2008 Plan is designed to maximize the deductibility of nonqualified stock options and other awards under the 2008 Plan, including short-term incentive awards to key executive employees, by structuring them to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. Such awards will not be paid unless the shareholders approve the 2008 Plan.

Common Shares Subject to the 2008 Plan

Subject to adjustment as described below, the maximum number of shares of the Company s common stock that may be issued or transferred pursuant to awards under the 2008 Plan is the sum of the following:

one million shares, plus

any shares covered by an award that are forfeited or remain unpurchased or undistributed upon termination or expiration of an award under the 1999 Plan or the 2008 Plan, plus

any shares available for issuance under the 1999 Plan on the date of its termination (estimated to be approximately three hundred sixty thousand (360,000)), plus

any shares exchanged as full or partial payment of the exercise of an option under the 1999 Plan or 2008 Plan.

In the event of any stock split, stock dividend, spin-off, or other relevant change affecting the Company s common stock, the Compensation Committee may adjust the number of shares available for grants and the number of shares and price under outstanding grants made before the event, as provided in the 2008 Plan.

Administration

The 2008 Plan will be administered by the Compensation Committee, which has broad discretionary authority under the 2008 Plan.

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Description of Award Types

Subject to the limits imposed by the 2008 Plan and described below, the Compensation Committee, in its discretion, may award any of the following types of awards to any employee: (i) incentive stock options, (ii) nonqualified stock options, (iii) stock appreciation rights, (iv) restricted shares, (v) unrestricted shares, (vi) performance shares, and (vii) performance units. The Compensation Committee may also grant short-term incentive awards as provided in the 2008 Plan to any key executive employee.

Limits on Awards

The Compensation Committee may not grant awards to any employee under the 2008 Plan during any three consecutive calendar year period that would result in the employee being issued more than five hundred thousand (500,000) shares of the Company s common stock. The Compensation Committee shall adjust this limit for stock splits, stock dividends, spin-offs, or other relevant changes affecting the Company s common stock to the same extent as it adjusts the number of shares available for grants and/or the number of shares and exercise price under outstanding grants as provided in the 2008 Plan.

The Compensation Committee may not make cash incentive compensation awards to any employee under the 2008 Plan during any three consecutive calendar year period that would total more than $7,500,000.

Performance Targets and Performance Measures

So that certain awards under the 2008 Plan will be considered performance-based compensation for purposes of Internal Revenue Code Section 162(m), the Compensation Committee will condition the award on the achievement of certain objective performance targets (Performance Targets) established by the Compensation Committee during the first 90 days of the performance period. All Performance Targets will be based on one or more of the following Performance Measures, as described in the 2008 Plan: (i) return on assets, (ii) return on equity, (iii) total shareholder return, (iv) total revenue, (v) operating income, (vi) net income, (vii) earnings per share, (viii) total risk-adjusted income, (ix) non-performing asset ratio, (x) book value per share, (xi) income before interest and taxes, (xii) charge-offs, and (xiii) net-charge-off ratios. These Performance Measures may be applied (i) on a corporate-wide basis, (ii) including or excluding one or more subsidiaries of the Company, (iii) in comparison with plan, budget, or prior performance, and/or (iv) on an absolute basis or in comparison with peer-group performance. Performance Measures and Performance Targets may differ from employee to employee and award to award.

Stock Options

The Compensation Committee may grant nonqualified options and/or incentive stock options. The Compensation Committee establishes the option price, which may not be less than 100% of the fair market value of the stock on the grant date. Options may not be re-priced. The Compensation Committee establishes the vesting date and the term of the option, subject to a maximum term of 10 years. A participant may pay the option price in cash, or if permitted by the Compensation Committee, by cashless exercise through a broker or by delivering previously-owned shares of Company stock having a fair market value equal to the option price.

Additional limits and rules apply to incentive stock options. Thus, for example, the Compensation Committee may not grant an employee incentive stock options to the extent that it would result in the employee first being able to exercise incentive stock options to purchase shares with an aggregate fair market value (determined as of the grant date) of more than $100,000 in any year.

Stock Appreciation Rights (SARs)

The Compensation Committee may grant stock appreciation rights (SARs). The value of SARs is based on the increase in the value of the Company s common stock from the grant date to the date on which the employee exercises the SAR. The Compensation Committee determines the vesting and exercise periods for each SAR. An SAR must expire not later than 10 years after the grant date. SARs may be granted in connection with or separate from option grants.

Restricted Stock

The Compensation Committee may grant restricted shares of Company stock. At the time of grant, the Compensation Committee shall specify the period of restriction, the number of shares granted, and the conditions of the award. At the time of the award, the Compensation Committee shall establish the period that must lapse and/or the performance targets that must be satisfied for the restrictions to lapse. In the case of performance-based restricted stock for an executive officer subject to Code Section 162(m), the Compensation Committee shall base Performance Targets on one or more of the Performance Measures listed under Performance Targets and Performance Measures above.

Performance Units/Shares

The Compensation Committee may grant performance units and/or performance shares. In the case of performance shares or units for an executive officer subject to Code Section 162(m), the Compensation Committee will base Performance Targets on one or more of the Performance Measures listed under Performance Targets and Performance Measures above. Performance units and/or performance shares may be paid in the form of cash, shares, or a combination of cash and shares.

Share Grants

The Compensation Committee may grant shares, without restrictions on the shares granted.

Short-Term Incentive Awards

The Compensation Committee may grant performance awards under the Company s short-term incentive program to key executive employees. Such awards will be contingent on the achievement of Performance Targets based on one or more of the Performance Measures listed under Performance Targets and Performance Measures above. Short-term incentive awards may be paid in the form of cash, shares, or a combination of cash and shares, but may not exceed, for a calendar year, the lesser of (i) two times the executive officer s base salary for such year; or (ii) Two Million Five Hundred Thousand Dollars ($2,500,000).

Change of Control

In general, in the event of a change of control (as such term is defined in the 2008 Plan) of the Company, (i) all awards made under the 2008 Plan become fully exercisable, and (ii) all restrictions and performance targets applicable to the awards are deemed to be satisfied as of the date of the change of control.

Amendment and Termination

The Board of Directors may amend, suspend, or terminate the 2008 Plan at any time. Shareholder approval of an amendment will be required only to the extent necessary to satisfy applicable legal and regulatory agency rules.

Federal Income Tax Consequences

The federal income tax consequences to an employee and the Company vary depending upon the type of award granted under the 2008 Plan. Generally, there are no federal income tax consequences to the employee or the Company upon the grant or exercise of an incentive stock option. If the employee holds the shares purchased through the exercise of an incentive stock option for more than two years after the grant day and one year after the exercise date (required holding period), the employee will be eligible for capital gains treatment on any excess of the sales price over the option price upon selling the shares. The Company does not receive an income tax deduction with respect to incentive stock options, provided that the employee disposes of the shares after the required holding period. However, if the employee sells the shares during the required holding period, he must recognize ordinary income on the date of sale equal to the difference between the option price and the fair market value of the shares on the exercise date. The balance of the employee s gain, if any, on the sale of the shares is subject to capital gains treatment. The Company receives an income tax deduction in the same amount and at the same time as the employee realizes ordinary income.

The recipient of a non-qualified stock option realizes ordinary income upon exercising the option equal to the difference between the option price and the fair market value on the exercise date of the shares purchased. The

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Company also receives an income tax deduction in the same amount and at the same time as the recipient realizes ordinary income. Upon the subsequent sale of any such shares by the recipient, any appreciation or depreciation in the value of the shares after the exercise date will be treated as a capital gain or loss.

An employee generally does not recognize income from the grant of restricted shares until the restrictions on the shares lapse. At that time, the employee must recognize as ordinary income an amount equal to the fair market value of the shares, and the Company is entitled to a corresponding deduction. Pursuant to Internal Revenue Code Section 83(b), an employee may elect to recognize income at the time of the grant, based on the value of the shares at that time, in which case that Company may take a corresponding deduction. Dividends on restricted shares paid to employees before the lapse of restrictions are taxable to the employee and deductible by the Company.

In general, other awards under the 2008 Plan are taxable to the employee and deductible by the Company at the time paid.

Our Board unanimously recommends a vote FOR the proposal contained in Item 2 to approve and adopt the Old National Bancorp 2008 Incentive Compensation Plan.

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Common Stock Beneficially Owned by Directors and Executive Officers

The following table sets forth information concerning beneficial ownership of the shares of common stock of the Company on March 7, 2008, by each Director and Named Executive Officer and by all Directors and Executive Officers as a group.

Name of Person	Number of Shares Beneficially Owned(1)	Percent of Common Stock
Joseph D. Barnette, Jr.	7,376(2)	*
Alan W. Braun	275,215(3)	*
Larry E. Dunigan	348,031(4)	*
Niel C. Ellerbrook	11,773(5)	*
Andrew E. Goebel	17,823(6)	*
Annette W. Hudgions	193,944(7)	*
Robert G. Jones	322,159(8)	*
Phelps L. Lambert	260,137(9)	*
Arthur H. McElwee, Jr.	29,261(10)	*
Daryl D. Moore	366,786(11)	*
Barbara A. Murphy	57,261(12)	*
Marjorie Z. Soyugenc	289,888(13)	*
Kelly N. Stanley	49,858(14)	*
Charles D. Storms	71,923(15)	*
Christopher A. Wolking	152,496(16)	*
Directors and Executive Officers as a Group (19 persons)	2,863,467	4.3%

* Less than 1%

(1) Unless otherwise indicated in a footnote, each person listed in the table possesses sole voting and sole investment power with respect to the shares shown in the table to be owned by that person.

(2) Includes 1,000 shares held by Charlene Ann Barnette, Mr. Barnette s spouse.

(3) Includes 65,697 shares held in The Braun Investment Partnership, L.P. of which Mr. Braun is a general partner. Mr. Braun disclaims beneficial ownership of the shares except to the extent of his pecuniary interest.

(4) Includes 10,722 shares held by Kevin T. Dunigan Trust, Sharon Dunigan, trustee; 10,036 shares held by Derek L. Dunigan Trust, Sharon Dunigan, trustee; 3,980 shares held by Mitchell Ryan Dunigan Trust, Larry Dunigan, trustee; 3,423 shares held by Sharon Dunigan and 97,615 shares held by Larry E. and Sharon Dunigan.

(5) Includes 1,000 shares held by Karen Ellerbrook, Mr. Ellerbrook s spouse.

(6) Includes 895 shares held by Darlene Goebel, Mr. Goebel s spouse.

(7) Includes 146,096 shares issued to Ms. Hudgions upon exercise of outstanding stock options immediately exercisable. Also includes 23,300 shares of performance-based restricted stock and 5,734 shares of service-based restricted stock.

(8) Includes 131,250 shares issued to Mr. Jones upon exercise of outstanding stock options immediately exercisable. Also includes 109,000 shares of performance-based restricted stock, 3,100 shares of service-based restricted stock and 9,983 shares of phantom stock in the Company Executive Deferred Compensation Plan.

(9) Includes 11,765 shares held by Carol M. Lambert, Mr. Lambert s spouse. Also includes 1,761 shares of phantom stock in the Company Directors Deferred Compensation Plan.

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(10) Includes 2,000 shares held by Mrs. McElwee, Mr. McElwee s spouse and 300 shares held in custodial name for six individual grandchildren.

(11) Includes 309,544 shares issued to Mr. Moore upon exercise of outstanding stock options immediately exercisable. Also includes 18,400 shares of performance-based restricted stock and 4,000 shares of service-based restricted stock.

(12) Includes 28,700 shares issued to Ms. Murphy upon exercise of outstanding stock options immediately exercisable. Also includes 17,400 shares of performance-based restricted stock and 6,367 shares of service-based restricted stock.

(13) Includes 268,339 shares held by Rahmi Soyugenc, Ms. Soyugenc s spouse.

(14) Includes 254 shares held by Donna M. Stanley, Mr. Stanley s spouse. Also includes 10,383 shares issued to Mr. Stanley upon exercise of outstanding stock options and 4,009 shares of phantom stock in the Company Directors Deferred Compensation Plan.

(15) Includes 254 shares held by Elizabeth K. Storms, Mr. Storms spouse.

(16) Includes 107,488 shares issued to Mr. Wolking upon exercise of outstanding stock options immediately exercisable. Also includes 27,500 shares of performance-based restricted stock and 6,801 shares of service-based restricted stock.

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Executive Officers of the Company

The executive officers of the Company are listed in the table below. Each officer serves a term of office of one year and until the election and qualification of his or her successor.

Name	Age	Office and Business Experience
Robert G. Jones	51	President, Chief Executive Officer, and Director of the Company since September 2004. CEO of McDonald Investments, Inc., a subsidiary of Keycorp, from September 2001 to September 2004, and Executive Vice President of Keycorp from December 1999 to September 2001.
Barbara A. Murphy	57	Senior Executive Vice President of the Company since January 2007. Chief Banking Officer of the Company since December 2006. Executive Vice President of the Company from June 2005 to January 2007. Chief Risk Officer of the Company from June 2005 to December 2006. Previously, Executive Vice President at Bank One in Chicago, Illinois and Columbus, Ohio from 1989 to 2004.
Christopher A. Wolking	47	Senior Executive Vice President and Chief Financial Officer of the Company since January 2007, and Executive Vice President and Chief Financial Officer of the Company from January 2005 to January 2007. Senior Vice President of the Company from 2001 to January 2005 and Vice President of the Company from 1999 to 2001. Treasurer of the Company from 1999 to January 2005.
Caroline J. Ellspermann	40	Executive Vice President of the Company since December 2004, CEO of Old National Trust Company since October 2004 and President of Old National Wealth Management since June 2003. Senior Vice President of the Company and Manager of Old National Private Client Group from 2001 to June 2003.
Annette W. Hudgions	50	Executive Vice President and Chief Client Services Officer of the Company since April 2007 and Executive Vice President and Chief Administrative Officer of the Company from January 2005 to April 2007. Executive Vice President of the Company since August 2002.
Jeffrey L. Knight	48	Executive Vice President and Chief Legal Counsel of the Company since December 2004, and Senior Vice President of the Company from 2001 to 2004. Corporate Secretary of the Company since 1994 and General Counsel of the Company from 1993 to 2004.
Daryl D. Moore	50	Executive Vice President and Chief Credit Officer of the Company since January 2001 and Senior Vice President of the Company from 1996 to 2001.
Allen R. Mounts	56	Executive Vice President and Chief Administrative Officer of the Company since April 2007, and Executive Vice President and Chief Human Resources Officer of the Company from January 2005 to April 2007. Senior Vice

		President of the Company from 2001 to January 2005 and Vice President of the Company from 1993 to 2001. Director of Human Resources of the Company from 1993 to January 2005.
Candice J. Rickard	44	Executive Vice President and Chief Risk Officer of the Company since December 2006. Senior Vice President and Corporate Controller of the Company from January 2005 to December 2006, Vice President and Corporate Controller of the Company from April 2002 to January 2005, Vice President and Financial Reporting Manager of the Company from December 2001 to April 2002, and Financial Reporting Manager of the Company from August 2001 to December 2001.

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Report of the Compensation and Management Development Committee Matters

The Board appoints the members of the Compensation and Management Development Committee (Compensation Committee). The Compensation Committee is currently composed of four non-employee directors, each of whom is independent from management and the Company (as independence is currently defined in the NYSE s listing requirements and in the Company s Corporate Governance Guidelines). No member is eligible to participate in any management compensation program.

Compensation and Management Development Committee Charter

The Compensation Committee operates pursuant to a written charter. A copy of the Compensation Committee s charter is available on our web site, www.oldnational.com, under the Investor Relations/Corporate Governance link. As required by the charter, in early 2008, the Compensation Committee reviewed the charter and conducted an annual performance evaluation, the results of which have been discussed with the Compensation Committee members and shared with the Company s Corporate Governance and Nominating Committee.

Compensation Consultant

The Compensation Committee has retained Mercer(US)Inc. (Mercer) to provide information, analyses and advice regarding executive and director compensation, as described further in this report. The Mercer consultant who performs these services reports directly to the Committee chair. With consent of the Committee chair, Mercer may, from time to time, contact the Company s executive officers for information necessary to fulfill its assignments and may make reports and presentations to and on behalf of the Committee that the executive officers also receive. All of the decisions with respect to determining the amount or form of executive and director compensation under the Company s executive and director compensation programs are made by the Committee and may reflect factors and considerations other than the information and advice provided by Mercer. To the extent that the independent consultant s work involves Director compensation, that work is shared with the Corporate Governance and Nominating Committee, which is responsible for reviewing and making recommendations to the Board regarding Director compensation and benefits.

Scope of Responsibilities

The Compensation Committee is responsible for approving and evaluating the Company s employee compensation and benefit programs, ensuring the competitiveness of those programs, and advising the Board regarding the development of key executives. The Compensation Committee is responsible for annually reviewing, approving, and recommending to the Board for its approval all elements of the compensation of the Chief Executive Officer and other executive officers. The Compensation Committee is also responsible for determining awards to employees of stock or stock options pursuant to the Company s Equity Incentive Plan.

Compensation and Management Development Committee Interlocks and Insider Participation

No member of the Compensation Committee is or was formerly an officer or employee of the Company. No executive officer of the Company currently serves or in the past year has served as a member of the compensation committee or board of directors of another company of which an executive officer serves on the Compensation Committee. Nor does any executive officer of the Company serve or has in the past year served as a member of the compensation committee of another company of which an executive officer serves as a director of the Company.

Executive Compensation

Compensation Discussion and Analysis

Overview

This Compensation Discussion and Analysis describes the key principles and approaches used to determine the compensation of our Chief Executive Officer, Chief Financial Officer, and our other three most highly compensated executive officers. Detailed information regarding the compensation of these executive officers, who are referred to as Named Executive Officers or NEOs appears in the tables following this Compensation Discussion and Analysis. This discussion should be read in conjunction with those tables.

This Compensation Discussion and Analysis consists of the following parts:

- Responsibility for Executive Compensation Decisions.
- Compensation Philosophy and Objectives.
- Role of Executive Officers in Compensation Decisions.
- Compensation Committee Procedures.
- Setting Executive Compensation for 2007.
- Deductibility Cap on Executive Compensation.

Responsibility for Executive Compensation Program

The Compensation Committee of our Board is responsible for establishing and implementing our general executive compensation philosophy, subject to approval of the full Board. Subject to full Board approval, the Compensation Committee determines the compensation for all of our executive officers, including our Named Executive Officers. The Compensation Committee s charter permits the Compensation Committee to delegate authority to subcommittees. In 2007, the Compensation Committee made no delegation of its authority over compensation matters relating to our Named Executive Officers.

Compensation Philosophy and Objectives

Through our compensation program for executive officers, we strive to attract and retain superior executives in a highly competitive environment and provide financial incentives that align our executive officers interests with those of our shareholders. The Compensation Committee believes that the primary components of each executive officer s compensation should be a competitive base salary and incentive compensation that rewards the achievement of annual and long-term objective performance goals. The Compensation Committee also believes stock ownership is important, because it aligns our executives interests with the interests of our shareholders. Thus, equity compensation represents a significant element of each executive officer s potential compensation.

Role of Executive Officers in Compensation Decisions

The Compensation Committee reviews, approves, and recommends to our full Board each element of compensation for each executive officer, including all Named Executive Officers. The Compensation Committee considers the recommendations of the Chief Executive Officer in determining the base salary, annual incentive compensation and long-term incentive awards for each of the executive officers of the Company other than the Chief Executive Officer. Together with the Compensation Committee, our Chief Executive Officer annually reviews the performance of each of our other executive officers, the compensation of each executive officer, including base salary, annual incentive compensation and long-term incentive awards and makes recommendations to the Compensation Committee regarding the compensation of those officers for the following year. The Compensation Committee Chairman annually reviews our Chief Executive Officer s compensation (following an annual performance review lead by the Company s non-executive Chairman) and makes recommendations to the Compensation Committee regarding the Chief Executive Officer s compensation for the following year. All

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discussions with respect to the Chief Executive Officer s compensation are made in executive session of the Compensation Committee, without the Chief Executive Officer present.

Committee Procedures

The Compensation Committee has engaged Mercer, a nationally recognized compensation consulting firm, to assist it in evaluating our executive compensation structure and expenses. Mercer has fulfilled this role since 2003. For 2007, Mercer:

- assessed the competitiveness of our compensation packages for executive officers;
- analyzed our business performance over one-year and three-year periods; and
- evaluated the relationship between executive officer pay and our performance.

In examining our business performance, Mercer focused on:

- growth in fully-diluted earnings per share;
- net income growth;
- return on average equity;
- return on average assets;
- revenue growth;
- non-performing asset ratio;
- total shareholder return; and
- book value per share.

In evaluating the competitiveness of our compensation levels for Named Executive Officers and other members of management, Mercer gathers pay and performance data from a peer group of publicly-traded financial services companies that includes a broad representation of regional banks. Mercer selects the peer group with input from the Compensation Committee. The Compensation Committee considers the peer group data when evaluating the compensation for all of the Named Executive Officers. The composition of the peer group may be amended from year to year to take account of mergers, acquisitions, and other changes that make a company more or less appropriate for inclusion. Under the SEC disclosure rules, companies generally limit executive compensation disclosure to their most highly compensated executive officers. To determine competitive pay for these positions, Mercer uses data from publicly-filed documents as well as data from its proprietary market surveys. For the remaining executives, Mercer uses data from its proprietary market surveys only. The market surveys include a broader range of companies and do not provide company-specific information. The survey data is used as a general reference and is one of a number of factors considered in determining where pay is actually set.

For 2007, our publicly-traded peer group consisted of the following 26 companies:

Hancock Holding Company	Associated Banc-Corp	Sky Financial Group, Inc
Bank of Hawaii Corporation	BOK Financial Corporation	TCF Financial Corporation
South Financial Group, Inc.,	Fulton Financial Corporation	BancorpSouth, Inc.,
Valley National Bancorp	International Bancshares Corporation	FirstMerit Corporation
Cullen/Frost Bankers, Inc.	Trustmark Corporation	UMB Financial Corporation
Whitney Holding Corporation	Susquehanna Bancshares, Inc.	First Midwest Bancorp, Inc.
Citizens Republic Bancorp, Inc.	Alabama National Bancorporation	AMCORE Financial, Inc.
Irwin Financial Corporation	First Merchants Corporation	Integra Bank Corporation
1st Source Corporation	Colonial BancGroup, Inc.	

Mercer advised the Compensation Committee that the median asset size of these companies was approximately $10.0 billion, compared with ONB s $8.0 billion in assets as of June 30, 2007.

In making its recommendation to the Compensation Committee regarding executive officer compensation, Mercer reviews the compensation practices and performance of the peer companies and discusses our performance and strategic objectives with our Chief Executive Officer and Chief Financial Officer. Before the beginning of each fiscal year, Mercer provides the Compensation Committee with a detailed written report regarding our executive compensation structure, its competitiveness relative to the peer group companies, and the alignment of our executive pay with the Company s performance. This review evaluates overall compensation as well as each significant component of compensation. It evaluates whether the compensation structure continues to provide the appropriate incentives and alignment of executive officers interests with those of our shareholders. Mercer meets with the Compensation Committee to discuss its report, answer questions, and discuss issues that require further study.

The Compensation Committee considers the information provided by Mercer, including compensation reports and Mercer s recommended best practices as a baseline for establishing targeted total compensation, principal compensation components, and determining the allocation of total potential compensation components for each Named Executive Officer and other executives in the Company. In general, we seek to establish total compensation, base salaries, annual incentive compensation, and long-term equity incentive compensation for each position at or near the median for the peer group, if targeted performance is achieved; and at or near the 75% percentile of the peer group, if exceptional performance is achieved. The Compensation Committee also seeks to allocate potential total compensation among base salary, annual incentive compensation, and longer-term incentive compensation in proportions that reflect peer group averages.

Executive Compensation for 2007

Components of Compensation. In establishing the 2007 compensation for our executive officers, the Compensation Committee:

- analyzed the compensation levels of comparable executive officers in the peer group;
- determined a mix of base salary and bonus opportunity, along with an equity position to align our executive officers compensation with our performance and leadership accomplishments;
- assessed our executive officers performance; and
- assessed our financial and business results relative to other companies within the banking industry as well as to our own past performance and financial goals.

The principal components of each executive officer s compensation are:

- base salary;
- annual incentive compensation; and
- long-term equity incentive compensation.

In general, we strive to target the percentage that each of these components bears to the total compensation for our executive officer group as a whole, assuming the achievement of targeted performance, to approximately the corresponding percentages for the peer group. According to Mercer s report, the following table represents each element of compensation and the corresponding percentage of total compensation represented by each element for our peer group:

Type of Compensation	Percentage of Total Compensation
Base salary	40%
Cash incentive awards	22%
Performance-based equity awards	28%
Service-based equity awards	10%

The actual mix of these components for each individual executive officer varies, depending on our evaluation of the executive officer s responsibilities, the percentage of the executive officer s compensation that should be at risk, and the reasonable potential compensation in light of that risk.

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The only elements of our executive officers compensation that we pay in cash are base salary and annual incentive compensation. For 2007, we paid the following cash compensation to our Named Executive Officers:

Names	Year	Base Salary ($)	Annual Incentive Compensation ($)	Total Cash Compensation ($)
Robert G. Jones	2007	600,018	382,511	982,529
Christopher A. Wolking	2007	288,478	105,000	393,478
Barbara A. Murphy	2007	286,165	120,000	406,165
Daryl D. Moore	2007	293,259	105,000	398,259
Annette W. Hudgions	2007	250,016	76,504	326,520

Base Salary. Base salary is the only component of compensation that is not subject to the achievement of performance or vesting criteria. We establish base salary ranges for each position based on the ranges for similar positions at other peer group companies. In general, we target base salary ranges near the median for the peer group. We review base salaries annually and we adjust them to take into account such factors as market changes, changes in duties, performance, and experience. For 2007, we increased the base salaries of Mr. Wolking, and Ms. Murphy, but we did not increase the base salaries of Messrs. Moore, Jones or Ms. Hudgions. Mr. Moore s salary was not increased because his current salary was above the median for our peer group. Ms. Hudgions salary was not increased because her salary was within the appropriate percentile of the midpoint of the salary range for her position. Mr. Wolking s salary and Ms. Murphy s salary were increased in order to bring their base salaries nearer to the median salaries for comparable positions within the peer group. Despite the Compensation Committee s recognition of Mr. Jones exceptional performance and that substantial progress had been made by Mr. Jones in accomplishing key strategic initiatives in the Company in spite of the many challenges faced by the Company in 2006, Mr. Jones salary was not increased because the stock price and the financial performance of the Company in 2006 did not meet the Board s and Mr. Jones expectations.

Annual Incentive Compensation. Our practice is to award cash bonuses based on our achievement of pre-established objective performance goals. The Short Term Incentive Plan, which was approved by shareholders in 2005, is our primary vehicle for awarding such bonuses. The Short Term Incentive Plan does not preclude us from making additional bonus payments or special awards to Short Term Incentive Plan participants outside of the Short Term Incentive Plan.

Under the Short Term Incentive Plan, the Compensation Committee establishes quantitative performance goals for each fiscal year prior to March 31 of that year. The Compensation Committee has established the Target Incentive Payout for the CEO of 75% of his base salary. The Target Incentive Payout for the Chief Financial Office and Chief Banking Officer is 45% of base salary, and the Target Incentive Payout for the other Named Executive Officers is 40%. For 2007, the threshold payout under the Short-Term Incentive Plan was 7.5% for the CEO, 4.5% for the Chief Financial Officer and Chief Banking Officer and 4% for the other Named Executive Officers. The amount of bonus payments under the Short Term Incentive Plan is based entirely on the achievement of the established performance goals. In practice, the Compensation Committee makes recommendations that the Board then approves or adjusts. Performance measures permitted under the Short Term Incentive Plan include:

return on assets;

return on equity;

total shareholder equity;

operating income;

earnings per share; and

total risk-adjusted revenue.

The Compensation Committee chose earnings per share (EPS) as the performance measure for 2007, because it believed that EPS was the best method of measuring our growth and financial performance. In cooperation with our Chief Executive Officer, the Compensation Committee established the threshold payout level at $1.02 Earnings Per Share (EPS), the target payout level at $1.14 EPS, and maximum payout level at $1.26 EPS. The Compensation

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Committee determined that the target payout level of $1.14 EPS was sufficiently difficult to achieve yet reasonable after considering the dynamics of the general banking environment, potential credit costs due to a challenging economic environment within the Company s operating footprint and the ability of executive officers to integrate the St. Joseph Capital Corporation into the Company s operations.

Based on actual earnings per share of $1.14, bonuses were earned under the Short Term Incentive Plan for 2007. For purposes of establishing the payout for 2007, the Committee subtracted from the actual earnings of the Company the benefits of income recognized as a result of the Company s sale-leaseback transaction. Once this one-time benefit was subtracted from the financial analysis and performance, the actual percentage payout under the Short Term Incentive Plan was 85% of the target. This resulted in the CEO receiving an incentive payout of 63.75% of his base salary. The Chief Financial Officer and Chief Banking Officer each received an incentive payout of 38.25% of their base salary, and the other Named Executive Officers each received an incentive payout of 34% of their base salary.

Long-Term Incentive Compensation. We believe that stock ownership by our executive officers is an important tool for aligning their interests with those of our shareholders over the long-term. Therefore, our long-term incentive compensation consists entirely of equity compensation awards. The 1999 Equity Incentive Plan, which was previously approved by shareholders, is our primary vehicle for providing equity compensation. Awards under the 1999 Equity Incentive Plan consist of a combination of:

- nonqualified stock options;
- performance-based restricted stock; and
- service-based restricted stock.

Each of these forms of award encourages executives to use their best efforts to increase the value of our stock, since the value of the awards increases with the value of our stock. In addition, because an executive officer s right to an award generally vests over time, such awards provide a valuable retention tool.

Our practice is to determine the dollar amount of equity compensation that we want to provide, based on the closing price of our stock on the date of grant. In general, we seek to pay equity incentive compensation that approximates the median for our peer group, if targeted performance is achieved, and the 75th percentile for our peer group, if maximum performance is achieved. In recommending equity compensation awards for an executive, the Compensation Committee considers previously granted but non-vested awards, but it does not generally consider equity ownership or previously vested awards. The Compensation Committee typically makes recommendations regarding equity compensation awards at its first meeting, depending upon the availability of the financial results for the preceding year. Typically, these awards are then approved or adjusted by the Board at its next meeting. We make the awards as early as practicable in the year and communicate them to executive officers so that the incentives will be known as early as practicable, thereby maximizing their potential impact. We make equity awards after financial data for the preceding year is available, because this information enables us to refine our expectations for the current year. The proximity of any awards to earnings announcements or other market events is coincidental. Under special circumstances, such as the employment of a new executive or substantial promotion of an existing executive, the Compensation Committee may award equity compensation at other times during the year. The Compensation Committee did not make any special grants of equity incentive compensation to any NEO in 2007.

On January 25, 2007, we granted non-qualified stock options, performance-based restricted stock, and service-based restricted stock to all executive officers pursuant to our 1999 Equity Incentive Plan. These awards are reflected on the Table on page 31 entitled Grants of Plan-Based Awards During 2007. The Chief Executive Officer, however, only received an award of non-qualified stock options and performance-based restricted stock with no service-based component. The portions of the total potential equity award represented by each type of award reflected the allocation of such types among our peer group. The Compensation Committee awarded the right to earn shares to the Named Executive Officers and certain other executives based on the performance of the Company. The awards differed for each of the Named Executive Officers and they were determined by the Compensation Committee, according to each officer s salary level and based on competitive survey data provided by Mercer. The awards were not based on individual performance.

Nonqualified Stock Options. Stock options allow an executive officer to purchase shares of our stock at a future date for the closing price of the stock on the date of grant. In general, an executive officer must remain employed by us until the end of a stated vesting period to exercise a stock option. Special rules apply if the executive terminates employment on account of death, retirement, or disability, or if there is a change in control of the Company. Under most circumstances, the options granted in 2007 will vest in three approximately equal annual installments over a three-year period ending on February 1, 2009.

Performance-Based Restricted Stock. In general, our executive officers will not earn performance-based restricted stock unless we meet pre-established objective performance criteria for the performance period, and the executive officer remains employed throughout the required service period. The performance period for the 2007 grants is the three-year period ending December 31, 2009. The restriction period for the 2007 grants ends on February 1, 2010. The financial factors used and the weighting attached to each factor (in parentheses) are:

earnings per share growth (50%),

revenue growth (25%), and

and net charge-off ratio (25%).

For each factor, we have established minimum, target and maximum performance levels. The minimum weighted performance level under which restrictions will lapse on any performance-based restricted shares is 25% of target, which would result in restrictions lapsing on 25% of the shares awarded. If target is achieved, restrictions will lapse on all of the shares awarded. If maximum performance is achieved, the number of shares awarded will double.

We define earnings per share growth as the compounded annual growth rate in earnings per share from continuous operations from January 1, 2007, through December 31, 2009. We will make adjustments to the baseline in the case of mergers or divestitures. The threshold earnings per share growth rate is 2.17%, the target is 4.77% and the maximum is 6.27%.

We define revenue growth as the compounded annual growth rate in pre-tax operating revenue less revenue related to branch sales from January 1, 2007, through December 31, 2009. We will make adjustments to the baseline in the case of mergers, acquisitions, and divestitures. The threshold revenue expressed as a compounded annual growth rate is 1%, the target is 3% and the maximum is 6%.

We define net charge-off ratio as the three-year average of net charge-offs to average loans for 2007, 2008, and 2009. The minimum net charge-off ratio is .5%, the target is .3%, and the maximum is .2%.

If an executive officer terminates employment on account of death, or there is a change in control of the Company, the target performance criteria will be deemed satisfied, and restrictions on the shares will lapse. If the executive officer terminates employment on account of disability or retirement, the executive officer will be treated the same as if he or she had continued employment. We pay cash dividends on performance-based restricted stock, even if the stock remains subject to restrictions.

Service-Based Restricted Stock. Service-based restricted stock is not contingent on our business performance. In general, with the exception of dividends, an executive officer will not realize value for service-based restricted stock, unless he or she remains employed during the required service period. If an executive officer terminates employment on account of death, or there is a change in control of the Company, restrictions on the stock will lapse. If the executive officer terminates employment on account of disability or retirement, he or she will be treated the same as if he or she had continued employment. Like the 2007 stock options, service-based restricted stock granted in 2007 will vest in three approximately equal annual installments over a three-year period ending on February 1, 2010. We pay cash dividends on service-based restricted stock to our executive officers, even if the stock remains subject to restrictions.

Retirement Plans. Until December 31, 2005, we maintained a traditional qualified defined benefit pension plan, known as the Old National Bancorp Employees Retirement Plan (Retirement Plan). We froze the Retirement Plan as of December 31, 2001, except for employees who were at least age 50 or who had 20 years of credited service as of December 31, 2001. As of December 31, 2005, we froze the Retirement Plan for all remaining employees. We also maintained a nonqualified retirement plan to replace any reduction in benefits under the

Retirement Plan due to limitations on benefits under the Internal Revenue Code (Supplemental Plan). We also froze the Supplemental Plan as of December 31, 2005. No executive officer will earn further benefits under the Retirement Plan or the Supplemental Plan after 2005, although benefits as of December 31, 2005, are preserved.

We continue to maintain a tax-qualified defined contribution plan, known as the Old National Bancorp Employee Stock Ownership and Savings Plan (Savings Plan), for eligible employees. The Savings Plan allows employees to make pre-tax 401(k) contributions. Subject to applicable IRS limitations, we match employee contributions dollar for dollar on a bi-weekly basis to the extent that they do not exceed 6% of the employee s compensation. Subject to the conditions and limitations of the Plan, an employee will be eligible to become a participant of the plan on the first day of the month after completing one month of service. All active participants will be eligible to receive a Safe Harbor Matching Contribution . We may also make profit sharing contributions, in our discretion. To receive profit sharing contributions for a year, an employee must have (i) completed at least 1,000 hours of service during the year and (ii) been employed on the last day of the year or retired on or after age 65, died, or become disabled during the year.

We also maintain a nonqualified deferred compensation plan, known as the Executive Deferred Compensation Plan, for a select group of management employees designated by the Compensation Committee, including our executive officers. All executive officers are eligible to participate in the plan. An executive officer may elect to defer up to 25% of his or her regular compensation, and up to 75% of his or her annual bonus under the Short Term Incentive Plan, in which case the deferral amount will be credited to his or her plan account. We provide matching contribution credits under the plan up to 6% of compensation, reduced by matching contributions under the Savings Plan. In addition, we may provide discretionary contribution credits to make up for any reduction in discretionary profit sharing contributions under the Savings Plan due to Internal Revenue Code contribution limits applicable to tax-qualified retirement plans. We did not provide discretionary credits for 2007.

We credit an executive officer s plan account with earnings based on the hypothetical earnings of an investment fund consisting of Company stock, the return on a recognized market index selected by the Compensation Committee, or a combination of the two, as elected by the executive officer. For the market index fund, we use a Bloomberg fund index, which approximates the risk and return associated with a diversified high quality corporate bond.

All amounts paid under the nonqualified deferred compensation plan are paid from our general assets and are subject to the claims of our creditors. Except in the case of financial emergency, an executive officer s benefits under the plan may not be distributed until after termination of employment. In general, an executive officer may elect to receive his plan benefits in a lump sum or in annual installments over two to ten years.

Other Compensation. Detailed information regarding other compensation is provided in note 6 to the Summary Compensation Table on page 30. In general, we believe that perquisites should not constitute a consequential portion of any executive officer s compensation. No executive received perquisites in excess of $10,000 in 2007. Moreover, certain of the perquisites provided to executive officers also provide a benefit to us. For example, executive physicals, which we require, help us to assure that our executive officers do not postpone addressing health issues that could result in great cost to us in lost productivity and covered treatment costs. Likewise, the reimbursement of club dues encourages the active participation of our executive officers in community functions that promote business development.

Stock Ownership Guidelines. In 2005, the Compensation Committee adopted stock ownership guidelines for executive officers. Under those guidelines, executive officers are required to hold shares of our stock with a value of three times their annual base salary (five times base salary for our Chief Executive Officer). Executive officers have five years from October 2005 to achieve this ownership. For purposes of the guidelines, in-the-money options and unearned performance-based stock are taken into account. We were one of the first companies in the peer group to adopt stock ownership guidelines.

Deductibility Cap on Executive Compensation

Under Internal Revenue Code 162(m), subject to an exception for qualifying performance-based compensation, we cannot deduct compensation of over $1 million in annual compensation paid to certain executive officers. We have never paid compensation for which a deduction was disallowed, and our policy is to avoid any such payments in the future to the extent feasible.

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Compensation and Management Development Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on its review and discussions with management, recommended to the Board that the Compensation Discussion and Analysis be included in the Company s annual report on Form 10-K and this proxy statement.

Niel C. Ellerbrook, Chairman
Joseph D. Barnette, Jr.
Larry E. Dunigan
Marjorie Z. Soyugenc

2007 Summary Compensation Table

The following table provides information regarding compensation earned by our Chief Executive Officer, Chief Financial Officer, and the three other executive officers employed at the end of 2007 who were most highly compensated for 2007.

and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus(1) ($) (d)	Stock Awards(2) ($) (e)	Option Awards(3) ($) (f)	Non-Equity Incentive Plan Compensation(4) ($) (g)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (5) ($) (h)	All Other Compensation(6) ($) (i)	To ($ (j
G. Jones	2007	600,018	0	305,424	96,701	382,511	0	116,708	1,50
nt and	2006	600,018	0	230,920	52,383	0	0	111,481	99
xecutive Officer									
pher A. Wolking	2007	288,478	0	101,981	32,422	105,000	1,761	41,614	57
EVP and	2006(7)	250,016	47,300	76,090	17,689	0	577	32,781	42
inancial Officer									
A. Murphy	2007	286,165	0	83,218	24,371	120,000	0	22,180	53
EVP and	2006	240,011	40,600	36,384	10,385	0	0	50,772	37
anking Officer									
D. Moore	2007	293,259	0	61,819	19,557	105,000	35,810	36,323	55

nd Credit Officer	2006(7)	293,259	61,300	47,509	10,385	0	13,176	35,582	46
e W. Hudgions	2007	250,016	0	88,773	27,707	76,504	19,388	38,681	50
nd Client Services Officer	2006(7)	250,016	42,300	65,505	14,608	0	7,574	33,128	41

(1) Bonuses are for 2006 performance, but were not approved or paid until 2007.

(2) Stock awards included in Column (e) consist entirely of service-based restricted stock and performance-based restricted stock granted under our 1999 Equity Incentive Plan. Award values are based on the closing price for our stock on the grant date. The value taken into account for 2007 is based on the portion of the required service period occurring in 2007. In the case of 2005 performance-based awards, we have assumed that the restrictions on 0% of the performance-based shares will ultimately lapse. In the case of 2006 performance-based awards, we have assumed that 50% of the target performance will be achieved. For the number of shares of service-based and performance-based restricted stock awarded in 2007, see the Grants of Plan-Based Awards Table.

(3) The amount reflected in Column (f) is the compensation cost that we recognized in 2007 under Statement of Financial Accounting Standard No. 123-R (*Share-Based Payment).* The awards included in this Column consist entirely of non-qualified stock options granted in 2006 and 2007. We

determined the fair value of each grant as of the date of grant using the Black-Scholes option pricing method with the following assumptions:

2006 Options

Dividend Yield: 3.6%
Expected Volatility: 19.54%
Annual Risk-Free Interest Rate: 4.68%
Expected Option Life: 6.0 years

2007 Options

Dividend Yield: 4.23%
Expected Volatility: 15.3%
Annual Risk-Free Interest Rate: 4.85%
Expected Option Life: 6.0 years
Forfeiture rate of 7%

(4) These amounts represent incentives that were earned under the Company s Short Term Incentive Plan.

(5) This amount is the increase of the actuarial present value of the executive s benefit under our frozen defined benefit plans, plus the amount of the executive s earnings credit under our Executive Deferred Compensation Plan in excess of the earnings that would have been credited using the applicable federal long-term rate, with compounding (as described by Section 1274(d) of the Internal Revenue Code). The 2007 Change in Pension Values and Non-Qualified Deferred Compensation excess earnings were: Christopher Wolking ($1,334 and $427); Daryl Moore ($31,541 and $4,269) and Annette Hudgions ($16,183 and $3,205). The 2006 Change in Pension Values and Non-Qualified Deferred Compensation excess earnings were: Christopher Wolking ($242 and $335); Daryl Moore ($9,360 and $3,816) and Annette Hudgions ($4,858 and $2,716).

(6) The amounts specified in Column (i) include the following:

Name	Perquisites & Other Personal Benefits ($)	Company Contributions to Defined Contribution Plans ($)	Cash Dividends on Restricted Stock ($)	Life Insurance Premiums(a) ($)	Total ($)
Robert G. Jones	3,000	36,301	76,351	1,056	116,708
Christopher A. Wolking	4,180	13,460	23,313	661	41,614
Barbara A. Murphy	0	8,345	13,200	635	22,180
Daryl D. Moore	1,130	17,896	16,522	775	36,323
Annette W. Hudgions	1,085	15,301	21,634	661	38,681

(a) The listed executive officers receive group life coverage equal to two times base salary, whereas other employees receive coverage of one times base salary. The amounts in this column are the premiums for the executive officers coverage.

(7) Christopher A. Wolking, Daryl D. Moore and Annette W. Hudgions In preparing this chart, we discovered an error in calculating the present value of Messrs. Wolking and Moore and Ms. Hudgions Supplemental Plan benefits as of December 31, 2006. We believe that this error resulted from a change in actuaries in 2006. As a

result of the error, both the amount reported in Column (h) of the 2006 Summary Compensation Table and the present value of Supplemental Plan benefits reported in the 2006 Pension Plan Table included in the Company s 2006 Proxy Statement were incorrect. The amount reported in Column (h) of the 2006 Summary Compensation Table for Mr. Wolking should have been $242 instead of $236, and the present value of Supplemental Plan benefits should have been $610 instead of $0. The amount reported in Column (h) of the 2006 Summary Compensation Table for Mr. Moore should have been $9,360 instead of $7,584, and the present value of Supplemental Plan benefits should have been $241,441 instead of $137,365. The amount reported in Column (h) of the 2006 Summary Compensation Table for Ms. Hudgions should have been $4,858 instead of $3,932, and the present value of Supplemental Plan benefits should have been $80,677 instead of $27,057.

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Grants of Plan-Based Awards During 2007

)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards(2) Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3) (i)	All Other Awards: Number of Securities Under-lying Options (#)(4) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Gr Da Fa Va of S an Op Awar (
G.											
	1/25/2007	45,001	450,014	900,027							
	1/25/2007				7,600	30,400	60,800				56
	1/25/2007								59,100	18.43	13
pher											
king	1/25/2007	12,981	129,815	259,630							
	1/25/2007				1,675	6,700	13,400				12
	1/25/2007							3,400			6
	1/25/2007								19,600	18.43	4
a A.											
y	1/25/2007	12,877	128,774	257,549							
	1/25/2007				1,675	6,700	13,400				12
	1/25/2007							3,400			6
	1/25/2007								19,600	18.43	4
D.											
	1/25/2007	11,730	117,304	234,607							
	1/25/2007				1,050	4,200	8,400				7
	1/25/2007							2,100			3
	1/25/2007								12,300	18.43	2
e W.											
ons	1/25/2007	10,001	100,006	200,013							
	1/25/2007				1,525	6,100	12,200				11
	1/25/2007										