

**ASBC DEF 14A 4/23/2008**

**Section 1: DEF 14A (DEFINITIVE PROXY STATEMENT)**

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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 ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

Associated Banc-Corp

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.  
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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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1) Amount Previously Paid:

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**NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS**

**PROXY STATEMENT**

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March 11, 2008

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Associated Banc-Corp scheduled for 11:00 a.m. (CDT) on Wednesday, April 23, 2008, at the Milwaukee Art Museum, 700 North Art Museum Drive, Milwaukee, Wisconsin. We will again present an economic/investment update beginning at 10:00 a.m. Associated's Wealth Management professionals will provide an update on the equity market and interest rate environment as they affect us as investors. A continental breakfast is planned for 9:00 a.m.

The matters expected to be acted upon at the meeting are described in detail in the attached Notice of Annual Meeting and Proxy Statement.

Your Board of Directors and management look forward to personally greeting those shareholders who are able to attend.

Please be sure to sign and return the enclosed proxy card whether or not you plan to attend the meeting so that your shares will be voted. In the alternative, you may vote your shares via the Internet. Instructions are included with the proxy card. If you attend the Annual Meeting, you may vote in person if you wish, even if you previously have returned your proxy card or voted on the Internet. The Board of Directors joins us in hoping that you will attend.

For your convenience, we are providing space on the proxy card for any questions or comments you may have that you wish to have addressed either personally or at the Annual Meeting. We always appreciate your input and interest in Associated Banc-Corp. If you prefer, you may e-mail comments or questions to [shareholders@associatedbank.com](mailto:shareholders@associatedbank.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Paul S. Beideman", is enclosed in a blue rectangular border.

Paul S. Beideman  
Chairman and CEO

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1200 Hansen Road  
Green Bay, Wisconsin 54304

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**April 23, 2008**

Holders of Common Stock of Associated Banc-Corp:

The Annual Meeting of Shareholders of Associated Banc-Corp will be held at the Milwaukee Art Museum, 700 North Art Museum Drive, Milwaukee, Wisconsin, on Wednesday, April 23, 2008, at 11:00 a.m. (CDT) for the purpose of considering and voting on:

1. The election of nine directors. The Board of Directors' nominees are named in the accompanying Proxy Statement.
2. The ratification of the selection of KPMG LLP as the independent registered public accounting firm for Associated Banc-Corp for the year ending December 31, 2008.
3. Such other business as may properly come before the meeting and all adjournments thereof.

The Board of Directors has fixed February 15, 2008, as the record date for determining the shareholders of Associated Banc-Corp entitled to notice of and to vote at the meeting, and only holders of Common Stock of Associated Banc-Corp of record at the close of business on such date will be entitled to notice of and to vote at such meeting and all adjournments.

A handwritten signature in black ink, reading "Brian R. Bodager", is enclosed within a thin blue rectangular border. The signature is fluid and cursive.

Brian R. Bodager  
Executive Vice President  
Chief Administrative Officer  
General Counsel & Corporate Secretary

Green Bay, Wisconsin  
March 11, 2008

### **YOUR VOTE IS IMPORTANT**

**YOU ARE URGED TO DATE, SIGN, AND PROMPTLY RETURN YOUR PROXY SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES AND IN ORDER THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. THE PROMPT RETURN OF YOUR SIGNED PROXY, REGARDLESS OF THE NUMBER OF SHARES YOU HOLD, WILL AID ASSOCIATED BANC-CORP IN REDUCING THE EXPENSE OF ADDITIONAL PROXY SOLICITATION. THE GIVING OF SUCH PROXY DOES NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IN THE EVENT YOU ATTEND THE MEETING.**

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1200 Hansen Road  
Green Bay, Wisconsin 54304

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**PROXY STATEMENT**  
**ANNUAL MEETING — APRIL 23, 2008**

**Information Regarding Proxies**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Associated Banc-Corp, hereinafter called "Associated," to be voted at the Annual Meeting of Shareholders on Wednesday, April 23, 2008, and at any and all adjournments thereof.

Solicitation of proxies by mail is expected to commence on March 13, 2008, and the cost thereof will be borne by Associated. In addition to such solicitation by mail, some of the directors, officers, and regular employees of Associated may, without extra compensation, solicit proxies by telephone or personal interview. Arrangements will be made with brokerage houses, custodians, nominees, and other fiduciaries to send proxy materials to their principals, and they will be reimbursed by Associated for postage and clerical expenses.

**VOTE BY INTERNET — [www.proxyvote.com](http://www.proxyvote.com)** Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form. **If you vote by Internet, please do not mail your Proxy Card.**

Votes cast by proxy or in person at the Annual Meeting will be tabulated by three judges of election who are members of the Board and who will determine whether or not a quorum is present. The presence, in person or by proxy, of the majority of the outstanding shares entitled to vote at the Annual Meeting is required to constitute a quorum for the transaction of business at the Annual Meeting. The judges of election will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to shareholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter but will be considered as present and entitled to vote for purposes of determining the presence of a quorum for the meeting.

Shareholders are urged to sign, date, and return the enclosed proxy card as promptly as possible in the envelope enclosed for that purpose. Shareholders of record can also give proxies using the Internet. The Internet voting procedures are designed to authenticate Associated's shareholders' identities, to allow Associated's shareholders to give their voting instructions, and to confirm that Associated's shareholders' instructions have been recorded properly. Shareholders who wish to vote over the Internet should be aware that there might be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies.

Any Associated shareholder of record desiring to vote over the Internet will be required to enter the unique control number imprinted on such holder's Associated proxy card and, therefore, should have their Associated proxy card in hand when initiating the session. To vote over the Internet, log on to the website [www.proxyvote.com](http://www.proxyvote.com), and follow the simple instructions provided. Instructions are also included on the proxy card.



Proxies may be revoked at any time prior to the exercise thereof by filing with the Corporate Secretary of Associated a written revocation or a duly executed proxy bearing a later date. Such proxies may not be revoked via the Internet. Shares as to which proxies have been executed will be voted as specified in the proxies. If no specification is made, the shares will be voted "FOR" the election of the Board's nominees as directors and "FOR" the ratification of selection of KPMG LLP as independent registered public accounting firm.

The Corporate Secretary of Associated is Brian R. Bodager, 1200 Hansen Road, Green Bay, Wisconsin 54304.

## **Record Date and Voting Securities**

The Board has fixed the close of business on February 15, 2008, as the record date (the "Record Date") for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. The securities of Associated entitled to be voted at the meeting consist of shares of its common stock, \$0.01 par value ("Common Stock"), of which 127,354,914 shares were issued and outstanding at the close of business on the Record Date. Only shareholders of record at the close of business on the Record Date will be entitled to receive notice of and to vote at the meeting.

Each share of Common Stock is entitled to one vote on each matter. No other class of securities will be entitled to vote at the meeting. There are no cumulative voting rights.

## **Corporate Report and Form 10-K Annual Report**

The 2007 Corporate Report of Associated and the 2007 Form 10-K Annual Report have been mailed concurrently with this Proxy Statement to shareholders of record. The 2007 Corporate Report and the 2007 Form 10-K Annual Report do not constitute a part of the proxy material.

# **PROPOSAL 1**

## **ELECTION OF DIRECTORS**

The Board has the responsibility for establishing broad corporate policies and for the overall performance of Associated, although it is not involved in day-to-day operating details. Members of the Board are kept informed of Associated's business by various reports and documents sent to them on a regular basis, including operating and financial reports made at Board and committee meetings by officers of Associated.

Pursuant to the Articles of Incorporation of Associated in effect prior to April 2006, the Board was classified into three classes, as nearly equal in size as possible, with each class of directors serving staggered three-year terms, designated as Class A, Class B, and Class C. Shareholders approved a proposal to eliminate the classification of directors at the April 2006 shareholder meeting. The proposal provided for current directors to complete the term to which they were elected and, thereafter, stand for re-election annually following the expiration of their term. Beginning in April 2009, all our directors will be elected annually. Current Class A directors with terms expiring in April 2008, Messrs. Hutchinson, Lommen and Seramur, and Ms. Crowley, are nominated for election at the Annual Meeting to serve as directors for a one-year term to expire in April 2009. Messrs. Beideman, Gallagher, Meng, Santiago, and Ms. Kamerick, whose one-year terms expire in April 2008, are also nominated for election at the Annual Meeting to serve as directors for a one-year term to expire in April 2009.

Unless otherwise directed, all proxies will be voted FOR the election of each of the individuals nominated to serve as directors. The nine nominees receiving the largest number of affirmative votes cast at the Annual Meeting will be elected as directors. Associated's Corporate Governance Guidelines set forth procedures if a nominee is elected but receives a majority of "withheld" votes. In an uncontested election, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election is required to tender his or her resignation following certification of the shareholder vote. The Corporate Governance Committee is required to make a recommendation to the Board with respect



to any such letter of resignation. The Board is required to take action with respect to this recommendation and to disclose its decision and decision-making process.

The nominees have consented to serve, if elected, and as of the date of this Proxy Statement, Associated has no reason to believe that any of the nominees will be unable to serve. Correspondence may be directed to nominees at Associated's executive offices. Unless otherwise directed, the persons named as proxies intend to vote in favor of the election of the nominees.

The information presented below is as of March 11, 2008.

### **Directors Standing for Election; Terms Expiring April 2009**

**Paul S. Beideman** has been Chairman of the Board and Chief Executive Officer ("CEO") of Associated since January 2007. He served as President and CEO of Associated since April 2003. He has served on the Board since July 2003. From 1989 to 2003, he served in various management positions with Mellon Financial Corporation, and in particular, from 1999 to 2003, he was chairman of its Mid-Atlantic Region, and from 1994 to 2002, he was the Executive Vice President, Retail Financial Services. He has been President and a director of Associated Bank, National Association, a subsidiary of Associated, since July 2003. Age: 58.

**Ruth M. Crowley** has been a director of Associated since February 2004. She is currently engaged in multiple retail and merchandising consulting projects in her own consulting practice. She was the President of Motorsports Authentics, a merchandise licensee and retailer for NASCAR drivers and teams from March 2006 to September 2007, and was Vice President, General Merchandise, of Harley-Davidson, Inc. from 2000 to February 2006. From 1998 to 2000, she was Senior Vice President — Retail and Recreation Group, of Universal Studios in California, and has held management positions in many sectors of the retail industry since 1985. Age: 48.

**Robert C. Gallagher** has been a director of Associated since January 1982. He was appointed Lead Director in January 2007. Prior to that time, he has served as non-executive Chairman of the Board of Associated since April 2003 and he served as Chairman, President, and CEO of Associated from January 2003 to April 2003. He served as President and CEO of Associated from April 2000 to January 2003, as President and Chief Operating Officer of Associated from October 1998 to April 2000, as Vice Chairman of Associated from July 1996 to April 1999, and as Executive Vice President from January 1982 to April 1999. Mr. Gallagher also serves as a director of Integrys Energy Group, Inc. Age: 69.

**William R. Hutchinson** has been a director of Associated since April 1994. He is President of W. R. Hutchinson & Associates, Inc., an energy industry consulting company, since April 2001. Previously, he was Group Vice President, Mergers & Acquisitions, of BP Amoco p.l.c. from January 1999 to April 2001 and has held the positions of Vice President, Financial Operations, Treasurer, Controller, and Vice President — Mergers, Acquisitions & Negotiations of Amoco Corporation, Chicago, Illinois, from 1981 through January 1999. He was a director of Associated Bank Chicago, a former wholly owned subsidiary of Associated, from 1981 to June 2005. Mr. Hutchinson also serves as an independent director of 22 open- and closed-end funds in the Legg Mason Inc. Fund Complex. Age: 65.

**Eileen A. Kamerick** has been a director of Associated since March 2007. She has served as Executive Vice President, CFO and Chief Administrative Officer of Heidrick & Struggles International, Inc., an executive search and leadership consulting firm, since June 2004. Prior to joining Heidrick & Struggles, she served as Executive Vice President and CFO of Bcom3 Group, Inc., parent company of Leo Burnett and Starcom Media from August 2001 to January 2003 when Bcom3 was acquired by Publicis Group. From January 2003 to May 2004, Ms. Kamerick was employed by a successor corporation formed to market and sell securities received in the sale of Bcom3 Group and by an affiliate of Bcom3. She serves on the boards of directors of Westell Technologies, Inc. and Bostwick Laboratory, Inc. Age: 49.

**Richard T. Lommen** has been a director of Associated since October 2004. He has been President of Courtesy Corporation, a McDonald's franchisee, located in La Crosse, Wisconsin, since 1968. Mr. Lommen served as Vice Chairman of the Board of First Federal Capital Corp, which was acquired by Associated in October 2004, since April 2002. Age: 63.

**John C. Meng** has been a director of Associated since January 1991. He has served as Chairman of the Board of Schreiber Foods, Inc., Green Bay, Wisconsin, from October 1999 to November 2007. Schreiber Foods, Inc. markets cheese products to the food service industry and national retailers. He has served as a director of Schreiber Foods, Inc. since 1978 and as an officer since 1974, including Chairman, President, and CEO from May 1999 to October 1999, President and CEO from December 1989 to May 1999, and President and Chief Operating Officer from 1985 to 1989. Mr. Meng serves as a director of Schreiber Foods, Inc. and as a director of Integrys Energy Group, Inc. Age: 63.

**Carlos E. Santiago** has been a director of Associated since March 2007. He is the seventh Chancellor of the University of Wisconsin Milwaukee. Chancellor Santiago holds the academic rank of Professor of Economics at the University. He formerly held the position of Provost and Vice President of Academic Affairs at the University of Albany, State University of New York and functioned as the Chief Operating Officer of the campus. He is the founding co-editor of the Latino Research Review and has served as a member of the U.S. Congressional Hispanic Caucus International Relations Advisory Group and as a member of the Board of Consulting Economists for Hispanic Business Magazine. Age: 55.

**John C. Seramur** has been a director of Associated since October 1997. He is presently retired. He was President, CEO, and Chief Operating Officer of First Financial Corporation, a thrift holding company that merged with Associated in 1997, and its subsidiary, First Financial Bank, from 1966 to 1998. Mr. Seramur also serves as a director of Vita Food Products, Inc. and a director of Associated Trust Company, National Association, a wholly owned subsidiary of Associated. Age: 65.

### **Recommendation of the Board of Directors**

The Board recommends that shareholders vote FOR the election of Mses. Crowley and Kamerick and Messrs. Beideman, Gallagher, Hutchinson, Lommen, Meng, Santiago and Seramur to the Board of Directors.

### **Affirmative Determinations Regarding Director Independence**

Associated's Board has considered the independence of the nominees for election at the Annual Meeting and the continuing directors under the corporate governance rules of the Nasdaq Stock Market LLC ("NASDAQ"). The Board has determined that all of the nominees and continuing directors are independent under the NASDAQ corporate governance rules, except for Mr. Beideman, Chairman and CEO of Associated. Mr. Beideman is not independent because of his service as an executive officer of Associated and not due to any other transactions or relationships.

### **Directors Continuing in Office**

#### **Class B Directors; Terms Expiring April 2009**

**Karen T. Beckwith** has been a director of Associated since April 2004. She was President and CEO of Gelco Information Network, a privately held provider of transaction and information processing systems to corporations and government agencies, based in Eden Prairie, Minnesota, until its sale to Concur Technologies in October 2007. She joined Gelco in 1999 as the CFO of Gelco Information Network; she then served as Chief Operating Officer of the company's Trade Management Group, a division of Gelco Information Network, and was named its President and CEO in 2001. Before joining Gelco, she was with Ceridian Corp. for four years, most recently as Senior Vice President for business development and integration with Ceridian Employer Services. Age: 48.

**Ronald R. Harder** has been a director of Associated since July 1991. He is presently retired. He served as the CEO of Jewelers Mutual Insurance Company, Neenah, Wisconsin, from 2005 to 2007, and the President and CEO from 1982 until 2005, and was an officer since 1973. Jewelers Mutual Insurance Company is a mutual insurance company providing insurance coverage nationwide for jewelers in retail, wholesale, and manufacturing, as well as personal jewelry insurance coverage for individuals. Age: 64.

**J. Douglas Quick** has been a director of Associated since July 1991. He has served as Chairman and CEO of Lakeside Foods, Inc., Manitowoc, Wisconsin, since June 2007, and prior to that time served as President and CEO of Lakeside Foods, Inc., Manitowoc, Wisconsin, since 1986. Lakeside Foods, Inc. is a food processor of a diverse line of food products sold throughout the United States and the world. Age: 61.

## INFORMATION ABOUT THE BOARD OF DIRECTORS

### Board Committees and Meeting Attendance

The Board held five meetings during 2007. All of the current directors who served on the Board during 2007 attended at least 96% of the total number of meetings of the Board and its committees of which they were members. The Board convened an executive session of its independent directors at four of its regular board meetings held in 2007. The Board has adopted Corporate Governance Guidelines, including a Code of Ethics for Directors and Executive Officers, which can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance." We will describe on our website amendments to or waivers from our Code of Ethics in accordance with all applicable laws and regulations. Associated's executive officers, as employees of Associated, are also subject to the Associate Code of Conduct.

The Audit Committee of the Board of Directors (the "Audit Committee"), composed of Ms. Beckwith and Kamerick and Messrs. Harder (Chairman) and Hutchinson, all of whom are outside directors who meet the independence requirements set forth in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and NASDAQ corporate governance rules, held thirteen meetings during 2007. The Audit Committee reviews the adequacy of internal accounting controls, reviews with the independent registered public accounting firm its plan and results of the audit engagement, reviews the scope and results of procedures for internal auditing, reviews and approves the general nature of audit services by the independent registered public accounting firm, and reviews quarterly and annual financial statements issued by Associated. The Audit Committee has the sole authority to appoint or replace the independent registered public accounting firm, subject to ratification by the shareholders at the Annual Meeting. Both the internal auditors and the independent registered accounting firm meet periodically with the Audit Committee and have free access to the Audit Committee at any time. The Charter of the Audit Committee can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance."

The Compensation and Benefits Committee of the Board of Directors (the "Compensation and Benefits Committee"), composed of Ms. Crowley and Messrs. Meng (Chairman) and Seramur, all of whom are outside directors who meet the independence requirements set forth in the Exchange Act and NASDAQ corporate governance rules, held five meetings in 2007. The Compensation and Benefits Committee's functions include, among other duties directed by the Board, administration of Associated's executive compensation and employee benefit programs. The Charter of the Compensation and Benefits Committee can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance."

The Corporate Governance Committee of the Board of Directors (the "Corporate Governance Committee"), composed of Messrs. Gallagher, Lommen, Quick (Chairman), and Santiago, all of whom are outside directors who meet the independence requirements set forth in the Exchange Act and NASDAQ corporate governance rules, held four meetings in 2007. The Corporate Governance Committee's functions include corporate governance oversight, review and recommendation for Board approval of Board and committee charters and the Code of Ethics for Directors and Executive Officers. The Corporate Governance



Committee also reviews the structure and composition of the Board, considers qualification requirements for continued Board service, and recruits new director candidates. The Charter of the Corporate Governance Committee can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance."

The Corporate Development Committee of the Board of Directors (the "Corporate Development Committee"), composed of Messrs. Beideman (Chairman), Gallagher, Hutchinson, and Seramur, three of whom (Messrs. Gallagher, Hutchinson, and Seramur) are outside directors who meet the independence requirements set forth in the Exchange Act and NASDAQ corporate governance rules, held two meetings in 2007. The Corporate Development Committee's functions include, among other duties directed by the Board, reviewing and recommending to the Board proposals for acquisition or expansion activities. The charter of the Corporate Development Committee can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance."

It is Associated's policy that all of Associated's directors and nominees for election as directors at the Annual Meeting attend the Annual Meeting except in cases of extraordinary circumstances. All of the nominees for election at the 2007 Annual Meeting of Shareholders were in attendance. All of the other directors attended the 2007 Annual Meeting of Shareholders, except for Mr. Harder, who was unable to attend.

### **Director Nominee Recommendations**

The Corporate Governance Committee will consider any nominee recommended by a shareholder in accordance with this section under the same criteria as any other potential nominee. The Corporate Governance Committee believes that a nominee recommended for a position on the Board must have an appropriate mix of director characteristics, experience, diverse perspectives, and skills. Qualifications for nomination as a director can be found in the Corporate Governance Committee Charter. At a minimum, the core competencies should include accounting or finance experience, market familiarity, business or management experience, industry knowledge, customer-base experience or perspective, crisis response, leadership, and/or strategic planning.

A shareholder who wishes to recommend a person or persons for consideration as a nominee for election to the Board must send a written notice by mail, c/o Corporate Secretary, Associated Banc-Corp, 1200 Hansen Road, Green Bay, Wisconsin 54304 that sets forth (i) the name, address (business and residence), date of birth, and principal occupation or employment (present and for the past five years) of each person whom the shareholder proposes to be considered as a nominee; (ii) the number of shares of Common Stock beneficially owned (as defined by Section 13(d) of the Exchange Act) by each such proposed nominee; (iii) any other information regarding such proposed nominee that would be required to be disclosed in a definitive proxy statement to shareholders prepared in connection with an election of directors pursuant to Section 14(a) of the Exchange Act; and (iv) the name and address (business and residential) of the shareholder making the recommendation and the number of shares of Common Stock beneficially owned (as defined by Section 13(d) of the Exchange Act) by the shareholder making the recommendation. Associated may require any proposed nominee to furnish additional information as may be reasonably required to determine the qualifications of such proposed nominee to serve as a director of Associated.

### **Communications Between Shareholders and the Board of Directors**

Associated's Board provides a process for shareholders to send communications to the Board or any of the directors. Shareholders may send written communications to the Board or any one or more of the individual directors by mail, c/o Corporate Secretary, Associated Banc-Corp, 1200 Hansen Road, Green Bay, Wisconsin 54304, or by e-mail to [shareholders@associatedbank.com](mailto:shareholders@associatedbank.com). All communications will be compiled by Associated's Corporate Secretary and submitted to the Board or the individual directors on a regular basis unless such communications are considered, in the reasonable judgment of the Corporate Secretary, to be improper for submission to the intended recipient(s). Examples of shareholder



communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to Associated or Associated's business, or communications that relate to improper or irrelevant topics.

### **Compensation and Benefits Committee Interlocks and Insider Participation**

During 2007, a corporation of which Mr. Meng was Chairman of the Board and a partnership in which Mr. Seramur has an interest had loans with Associated's subsidiary bank. See "Related Person Transactions" below. There are no other interlocking relationships as defined by the rules adopted by the Securities and Exchange Commission, and no Associated officer or employee is a member of the Compensation and Benefits Committee.

## **INFORMATION ABOUT THE EXECUTIVE OFFICERS**

The following is a list of names and ages of executive officers of Associated indicating all positions and offices held by each such person and each such person's principal occupation(s) or employment during the past five years. Officers are appointed annually by the Board of Directors at the meeting of directors immediately following the annual meeting of shareholders. There are no family relationships among these officers nor any arrangement or understanding between any officer and any other person pursuant to which the officer was selected. No person other than those listed below has been chosen to become an executive officer of Associated.

**Paul S. Beideman** serves as Chairman and CEO and as a director of Associated. He also serves as the Chairman and CEO of Associated Bank, National Association (a subsidiary of Associated). He served as President and CEO from April 2003 to January 2007. From 1999 to April 2003, he served as Chairman of Mellon Financial Corporation's Mid-Atlantic Region and from 1994 to 2002 also served as their Executive Vice President, Retail Financial Services. He was first elected an executive officer of Associated on April 23, 2003. Age: 58.

**Lisa B. Binder** serves as President and Chief Operating Officer ("COO") of Associated. She also serves as a director of Associated Bank, National Association. Prior to joining Associated, Ms. Binder held the position of Group Executive Vice President of Citizens Financial Group, Inc., a \$164 billion commercial bank holding company wholly owned by The Royal Bank of Scotland Group plc., from December 2001 to October 2006. She served as director of retail and business banking for Citizens Mid-Atlantic and Midwest Regions. Prior to that time, she held various executive positions at Mellon Financial. She was first elected an executive officer of Associated on January 29, 2007. Age: 51.

**David A. Baumgarten** serves as Executive Vice President, Regional Banking, of Associated and Associated Bank, National Association. He also serves as a director of Associated Bank, National Association, and a director of Associated Financial Group, LLC (a subsidiary of Associated Bank, National Association). He serves as Regional President of the Bank's Southeast region from May 2001 to the present. He was first elected an executive officer of Associated on December 15, 2005. Age: 57.

**Brian R. Bodager** serves as Executive Vice President, Chief Administrative Officer, General Counsel, and Corporate Secretary of Associated and Associated Bank, National Association. He serves as a director of Associated Bank, National Association, and Executive Vice President, Secretary, and director of Associated Trust Company, National Association (wholly owned subsidiaries of Associated). He is also a director of the following subsidiaries and affiliates of Associated: Associated Financial Group, LLC, Associated Investment Services, Inc., Associated Wisconsin Investment Corp., Associated Minnesota Investment Corp., Associated Illinois Investment Corp., Associated Wisconsin Real Estate Corp., Associated Minnesota Real Estate Corp., Associated Illinois Real Estate Corp., Employer's Advisory Association, Inc., Financial Resource Management Group, Inc., First Enterprises, Inc., First Reinsurance, Inc., Banc Life Insurance Corporation, Associated Mortgage Reinsurance, Inc., Associated Risk Group, LLC, Associated Banc-Corp Founders Scholarship Fund, and Associated Banc-Corp Foundation. He was first elected an executive officer of Associated on July 22, 1992. Age: 52.



**Judith M. Docter** serves as Executive Vice President, Director, Human Resources, of Associated and Associated Bank, National Association. She is a director of Associated Bank, National Association and Associated Financial Group, LLC. She was Senior Vice President, Director of Organizational Development, for Associated from May 2002 to November 2005. From March 1992 to May 2002, she served as Director of Human Resources for Associated Bank, National Association, Fox Valley Region and Wealth Management. She was first elected an executive officer of Associated on November 10, 2005. Age: 47.

**Gordon C. King** serves as Executive Vice President, Chief Credit Officer, of Associated and Associated Bank, National Association. From 1996 to October 2001, he was the Senior Vice President and Credit Administration Manager of Associated Bank Milwaukee (a former subsidiary of Associated). He is a director of Associated Bank, National Association, and Associated Commercial Finance, Inc., wholly owned subsidiaries of Associated. He was first elected an executive officer of Associated on January 22, 2003. Age: 46.

**Mark J. McMullen** serves as Executive Vice President, Director, Wealth Management, of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association, Chairman and CEO of Associated Trust Company, National Association, Chairman of the Board of Associated Investment Services, Inc., and Chairman of the Board of Associated Financial Group, LLC. He is also a director of ASBC Investment Corp. (a subsidiary of Associated Bank, National Association). He was first elected an officer of Associated on June 2, 1981, and an executive officer of Associated on April 25, 2001. Age: 59.

**Arthur E. Olsen, III** serves as Executive Vice President, General Auditor, of Associated. He was first elected an executive officer of Associated on July 28, 1993. Age: 56.

**Nick Papachristou** serves as Executive Vice President, Chief Marketing Officer, of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association. Prior to joining Associated, Mr. Papachristou was the Senior Business Leader at MasterCard Worldwide from January 2005 to July 2007. He was a Senior Vice President, Group Product Manager at Citizens Financial Group from March 2001 to December 2004. Mr. Papachristou joined Associated in July 2007 as a Senior Vice President and Director of Corporate Marketing and Product Management. In January 2008, he assumed the Chief Marketing Officer role. He was first elected an executive officer of Associated on January 29, 2008. Age: 47.

**Mark D. Quinlan** serves as Executive Vice President and Chief Information Officer, Director of Operations and Technology, of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association. From November 2004 to November 2005, Mr. Quinlan served as a consultant to Sky Financial Group, an Ohio bank holding company, as the interim Chief Technology Officer. He was Chief Information Officer for Charter One Bank, N.A., from September 2003 to September 2004 and Union Central Insurance and Investments, an Ohio-based insurance and investment firm from 2001 to 2003. He was first elected an executive officer of Associated on November 10, 2005. Age: 47.

**Douglas M. Schosser** serves as Executive Vice President, Line of Business Group — Chief Financial Officer, of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association. From July 2001 to January 2008, Mr. Schosser was a Chief Financial Officer in several operating units of KeyCorp including the PrivateBank, McDonald Financial Group and KeyBank's Northeast Region. He joined Associated and was first elected an executive officer on January 28, 2008. Age: 37.

**Joseph B. Selner** serves as Executive Vice President, Chief Financial Officer ("CFO"), of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association, Associated Trust Company, National Association, Associated Investment Services, Inc., ASBC Investment Corp., Associated Wisconsin Real Estate Corp., Associated Minnesota Real Estate Corp., Associated Illinois Real Estate Corp., First Enterprises, Inc., First Reinsurance, Inc., Banc Life Insurance

Corporation, Associated Banc-Corp Founders Scholarship Fund, and Associated Banc-Corp Foundation. He was first elected an executive officer of Associated on January 25, 1978. Age: 61.

**David L. Stein** serves as Executive Vice President, Director of Retail Banking. He is a director of Associated Bank, National Association and Riverside Finance, Inc. He was the President of the South Central Region of Associated Bank, National Association since January 2005. He held various positions with J.P. Morgan Chase & Co., and one of its predecessors, Bank One Corp, from August 1989 until joining Associated in January 2005. He was first elected an executive officer of Associated on June 19, 2007. Age: 44.

**Gordon J. Weber** serves as Executive Vice President, Corporate Banking, of Associated and Associated Bank, National Association. He is a director of Associated Bank, National Association, Associated Trust Company, National Association, Associated Commercial Finance, Inc., and Riverside Finance, Inc. From 1973 to April 2001, he was the President, CEO, and a director of former subsidiary banks of Associated. He was first elected an executive officer of Associated on April 25, 2001. Age: 60.

## STOCK OWNERSHIP

### Security Ownership of Beneficial Owners

As of February 22, 2008, Associated Trust Company, National Association, a wholly owned subsidiary of Associated, was, in a fiduciary capacity, the beneficial owner of 7,217,985 shares of Common Stock, constituting 5.67% of Associated's outstanding shares entitled to vote. Such ownership is in the capacity of fiduciary with voting and/or investment power. As a result, Associated may be deemed to indirectly beneficially own such shares. As of December 31, 2007, Barclays Global Investors, NA, Barclays Global Fund Advisors, and Barclays Global Investors, Ltd., Barclays Global Investors Japan, Limited, were the beneficial owners in the aggregate of 7,688,495 shares of Common Stock, constituting 6.05% of Associated's outstanding shares entitled to vote. As of December 31, 2007, FMR LLC, Fidelity Management and Research Company and Edward C. Johnson 3d were the beneficial owners in the aggregate of 7,128,698 shares of Common Stock, constituting 5.61% of Associated's outstanding shares entitled to vote. No other person is known to Associated to own beneficially more than 5% of the outstanding shares entitled to vote. The information set forth below is reflective of the foregoing.

<u>Name and Address</u>	<u>Amount and Nature of Beneficial Ownership (1)(2)</u>	<u>Percent of Class</u>
Associated Trust Company, National Association 1200 Hansen Road Green Bay, Wisconsin 54304	7,217,985 <sup>(3)</sup>	5.67%
Barclays Global Investors Japan Trust and Banking Company Limited Ebisu Prime Square Tower 8th Floor 1-1-39 Hiroo Shibuya-Ku Tokyo 150-0012 Japan	7,688,495 <sup>(4)</sup>	6.05%
FMR LLC 82 Devonshire Street Boston, MA 02109	7,128,698 <sup>(5)</sup>	5.61%

- (1) Shares are deemed to be "beneficially owned" by a person if such person, directly or indirectly, has or shares (i) the voting power thereof, including the power to vote or to direct the voting of such shares, or (ii) the investment power with respect thereto, including the power to dispose or direct the disposition of such shares. In addition, a person is deemed to beneficially own any shares of which such person has the right to acquire beneficial ownership within 60 days.

- (2) In its capacity as fiduciary, the beneficial holder exercises voting power where authority has been granted. In other instances, the beneficial holder solicits voting preferences from the beneficiaries. In the event responses are not received as to voting preferences, the shares will not be voted in favor of or against the proposals.
- (3) In the capacity of fiduciary, included are 6,564,350 shares with sole voting power; 57,195 shares with shared voting power; 6,883,034 shares with sole investment power; and 334,951 shares with shared investment power.
- (4) In the capacity of fiduciary, included are 7,083,924 shares with sole power to vote or direct the vote and 7,688,495 shares with sole power to dispose or direct the disposition.
- (5) In the capacity of fiduciary, included are 71,778 shares with sole power to vote or direct the vote, and 7,128,698 shares with sole power to dispose or direct the disposition.

## Security Ownership of Directors and Management

Listed below is information as of February 22, 2008, concerning beneficial ownership of Common Stock for each director and Named Executive Officer (defined below) and by directors and executive officers as a group, and is based in part on information received from the respective persons and in part from the records of Associated.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership(1)</b>	<b>Shares Issuable Within 60 Days(2)</b>	<b>Percent of Class</b>
<b>Directors</b>			
Karen T. Beckwith	5,030	0	*
Paul S. Beideman	441,215	288,600	*
Ruth M. Crowley	2,078	0	*
Robert C. Gallagher	734,080	289,332	*
Ronald R. Harder	21,220	2,722	*
William R. Hutchinson	36,503	0	*
Eileen A. Kamerick	0	0	*
Richard T. Lommen	132,090	16,764	*
John C. Meng	73,256	11,466	*
J. Douglas Quick	63,264	11,466	*
Carlos E. Santiago	0	0	*
John C. Seramur	394,631	11,466	*
<b>Named Executive Officers</b>			
Lisa B. Binder	55,320	17,000	*
Gordon J. Weber	503,724	279,217	*
Joseph B. Selner	483,130	316,727	*
Mark J. McMullen	439,842	285,884	*
<b>All Directors and Executive Officers as a group (25 persons)</b>	<b>4,430,899</b>	<b>2,287,321</b>	<b>3.42%</b>

\* Denotes percentage is less than 1%.

- (1) Beneficial ownership includes shares with voting and investment power in those persons whose names are listed above or by their spouses or trusts. Some shares may be owned in joint tenancy, by a spouse, or in the names of a trust or by minor children. Shares include service-based restricted stock and performance share awards, as well as shares issuable within 60 days of February 22, 2008.
- (2) Shares subject to options exercisable within 60 days of February 22, 2008.

## Stock Ownership Guidelines

Associated has established guidelines for the ownership of Associated common stock by its senior executives. See "Executive Compensation — Compensation Discussion and Analysis — Security Ownership Guidelines."

Associated has established stock ownership guidelines for the Board (the "Director Stock Ownership Guidelines"). The Director Stock Ownership Guidelines provide that each member of the Board shall own the value of stock equal to five times the annual amount contributed by Associated on the director's behalf into the Associated Banc-Corp Director's Deferred Compensation Plan. Directors are required to attain such stock ownership goal by the later of July 26, 2011, or five years from the date on which they first were appointed to the Board. Balances in the Directors Deferred Compensation Plan count toward satisfying this requirement.

## Directors' Deferred Compensation Plan

In addition to the beneficial ownership set forth in the table above, the following non-employee directors have an account with the balances set forth below in the Directors' Deferred Compensation Plan. The dollar balances in these accounts are also expressed daily in units of common stock of Associated based on its daily closing price. The balances are counted by Associated toward the non-employee holding requirements under the Director Stock Ownership Guidelines. The units are nonvoting. See "Executive Compensation — Directors Deferred Compensation Plan."

<b>Director</b>	<b>Account Balance at February 22, 2008</b>	<b>Equivalent Number of Associated Common Shares(1)</b>
Karen T. Beckwith	\$ 125,585	4,881
Ruth M. Crowley	139,289	5,413
Robert C. Gallagher	116,660	4,534
Ronald R. Harder	125,585	4,881
William R. Hutchinson	158,495	6,160
Eileen A. Kamerick	32,592	1,267
Richard T. Lommen	168,710	6,557
John C. Meng	315,569	12,265
J. Douglas Quick	158,495	6,160
Carlos E. Santiago	35,588	1,383
John C. Seramur	116,660	4,534

(1) Based on the closing price of \$25.73 of Associated common stock at February 22, 2008.

## **EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### **Nature and Structure of Compensation Administration**

Associated's Compensation and Benefits Committee (the "Committee") of the Board of Directors is responsible for all compensation, including equity compensation, of Associated's Named Executive Officers ("NEOs"). The Committee consists of Ms. Crowley, Mr. Meng (Chairman), and Mr. Seramur. The Committee sets the strategic direction for Associated's executive compensation policies and programs and helps ensure management's execution and compliance with that strategic direction. It also oversees administration of certain compensation and benefit arrangements described in this Proxy Statement. It sets the compensation of the Chief Executive Officer (the "CEO") and, with input from the CEO, establishes compensation for the other NEOs.

The Committee has the sole authority to hire an independent compensation consultant to evaluate the compensation of the executive officers of Associated. The Committee retained Mercer (US) Inc. (the "Consultant"), an independent consultant, to provide information analyses and advice regarding executive and director compensation. The Consultant performs these services reporting directly to the Committee. The Consultant prepared and presented reports to the Committee at its December 2007 and January 2008 meetings for purposes of assisting the Committee in making compensation decisions with respect to 2007 annual incentive bonuses, incentive compensation plans, and 2008 base salaries and equity awards.

Competitive compensation levels considered by the Consultant in making its recommendations to the Committee are based upon the results of several compensation surveys and a peer group analysis. The analysis of the survey data accounts for differences in corporate size, business lines, date of data collection, and executive position responsibilities. The peer group established for 2007 initially consisted of 22 publicly traded bank holding companies,<sup>1</sup> six of which are in the NASDAQ bank index, that ranged in asset size from \$12 billion to \$61 billion and are engaged in similar lines of business as Associated. The median size of the surviving companies in this group was \$22.2 billion in assets compared to Associated's \$20.9 billion in assets based upon third quarter 2007 data. Associated management provided input as to the constituents of this peer group. This peer group is used for comparison of compensation levels for the NEOs and for comparing Associated's business performance to demonstrate pay-for-performance and other pay practices. Management, in particular the CEO and the Director of Human Resources, interacts with the Consultant and the Committee providing information, including the current compensation structure and details regarding compensation, assessments of executive performance, and descriptions of the job responsibilities of executive officers.

#### **Objectives of the Compensation Program**

The objectives of the compensation program are to provide a balanced competitive total compensation program aligned with several goals. These goals include the ability to attract, retain and motivate high-quality executives; reward individual actions and behaviors that support the mission, business strategies and a performance-based culture which focuses on the enhancement of shareholder value; and maintain a total compensation program that reflects the performance of Associated while ensuring competitive compensation positioned within peer group market ranges.

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<sup>1</sup> Amsouth Bancorporation\*  
BOK Financial Corporation  
City National Corporation  
The Colonial BancGroup, Inc.  
Comerica Incorporated  
Commerce Bancorp, Inc.\*  
Commerce Bancshares, Inc.  
Compass Bancshares, Inc.\*  
First Horizon National Corporation  
Fulton Financial Corporation  
Huntington Bancshares Incorporated  
M & T Bank Corporation  
Marshall & Ilsley Corporation  
Mercantile Bankshares Corporation\*

Sky Financial Group, Inc.\*  
The South Financial Group Inc.  
Synovus Financial Corp  
TCF Financial Corporation  
TC Banknorth, Inc.\*  
Valley National Bancorp  
Webster Financial Corp.  
Zions Bancorporation

\* Company was acquired or went private during 2007 and, therefore, data was not available for comparative purposes.



The compensation program for the NEOs includes: (1) annual base salary, (2) annual incentive bonuses, (3) long-term incentive and equity awards, (4) pension benefits, and (5) perquisites. Associated's policy is to set target total compensation for executive officers generally near the median level for executives having comparable responsibility for financial institutions of comparable asset size. This is important because Associated competes with such organizations for the services of its executives and compares its financial performance to those organizations. Annual incentive bonuses and long-term incentive awards are targeted to pay at median pay levels for similar positions when incentive goals are met. If the goals are exceeded, the plan design allows for total compensation levels to be at or above the 75th percentile of the peer group companies.

Annual incentive bonuses are based on Associated's annual overall and business unit financial performance goals relative to performance of Associated's peer group, individual goals, and may also include discretionary factors. The financial goals have focused on improvement in the following: earnings per share ("EPS"), revenue growth, asset quality, and expense control. Specific goals are set on an individual basis for each executive officer to reflect differences in responsibilities and other relevant factors. The primary financial measurement that is a part of each executive's annual incentive bonus is growth in EPS.

Longer-term incentive compensation may include stock option awards, service-based restricted stock, performance-based restricted stock, and a multi-year performance cash component. Longer-term incentive compensation is intended to directly relate a portion of the executive officer's compensation to stock price appreciation realized by Associated's shareholders, enhance retention of key executives, build ownership of Associated stock, and align compensation with stock performance over a multi-year period.

Associated's pension program, which includes the Retirement Account Plan ("RAP"), the Associated Banc-Corp 401(k) and Employee Stock Ownership Plan (the "401(k) Plan") and the Supplemental Executive Retirement Plan (the "SERP"), provides post-retirement income to the NEOs.

The perquisites offered during employment, described under "Perquisites" below, complete the competitive total compensation program.

## **The Elements of Executive Compensation**

### **Short Term**

**Base Salary** — Associated's objective is to pay a base salary that is competitive with that of peer companies to reward performance and to enable it to attract and retain the top talent that Associated needs to manage and expand its business. Base salary is set each year taking into account both market compensation data, the Consultant's recommendations, as well as the performance level of the executive and the competency level demonstrated in the past. Changes in base salary are market-based and typically effective in the first quarter of each year.

**Annual Incentive Bonus** — Associated's Performance Incentive Plan ("PIP Plan") provides the potential for annual incentive bonuses and is designed to: (1) enable Associated to achieve or exceed business goals; (2) reward team and individual performance at a level consistent with shareholder rewards; (3) maintain a total compensation program that reflects the performance of Associated that is competitive within the marketplace; and (4) to provide internal equity for incentive payments based upon the company, unit, and individual performance against established goals. The PIP Plan is fully discretionary and payments under the PIP Plan must be approved by the Board. Examples of discretionary factors have included company performance relative to annual goals and peer group performance, total shareholder return, net income growth, return on average equity and assets, revenue growth, net charge-off ratio, loan

quality and growth, deposit growth, cross-selling effectiveness, community outreach, and performance on other unit objectives. For 2007, the annual incentive bonus goals and targets included:

Executive	Target as % of Base Salary	Goals						
		% Weighted		EPS	Revenue	Asset	Expense	
				Growth	Growth	Quality	Control	
				Goal	Goal	Goal	Goal	
				2.90%	6.30%	At Budget	At Budget	
		Corporate	Unit	Corporate Relative Measurement Weighting				
Paul S. Beideman	100%	100%	0%	60%	20%	10%	10%	
Lisa B. Binder	100%	100%	0%	60%	20%	10%	10%	
Gordon J. Weber	50%	50%	50%	60%	20%	10%	10%	
Joseph B. Selner	50%	70%	30%	60%	20%	10%	10%	
Mark J. McMullen	50%	30%	70%	60%	20%	10%	10%	

In addition, the Committee may use discretionary factors to enhance or reduce the business unit's incentive payment to achieve a balance among Associated financial performance measures, individual performance, and discretionary qualitative factors. The amount of the bonus award granted to any individual is fully discretionary.

Performance relative to goals established in the beginning of 2007 would have resulted in an aggregate bonus pool of 32% of target. In determining the actual 2007 annual incentive bonus award pool, the Committee considered several factors, including Associated's financial performance, which was above the median relative to that of the peer group on a number of measures. Associated's total shareholder return approached the 80th percentile of the previously discussed peer group, and both total shareholder return and share price performance outperformed that same peer group and also two comparative groups of Midwest and bank holding companies which include most of the peer group companies. The Committee also considered the importance of retaining key executives during these challenging times in the banking industry. After giving effect to those factors, the Committee authorized an aggregate bonus pool calculated at 60% of target for 2007. In determining the CEO's annual bonus award, the above factors were considered and additional attention and allocation was given by the Committee to align the CEO's total compensation to the median total compensation of CEOs of companies in the peer group and to recognize the CEO's individual performance.

## Long Term

### Overview

Long-term incentive compensation to the NEOs is paid in several forms through the Associated Banc-Corp Incentive Compensation Plan (cash awards) and the 2003 Long Term Incentive Plan (equity awards). For 2007, the long-term compensation program for all of the NEOs is structured to include equal target values of stock option awards, service-based restricted share awards, and a long-term cash component.

### Equity Awards

**Stock Options** — Stock option grants fulfill several different purposes. First, they reward the prior year's performance as the number of shares granted varies based on the Committee's assessment of individual and business performance in the prior calendar year. Second, the stock option grant functions as a long-term incentive; over time, the value of the grant should increase as the performance of the business improves. Third, the annual vesting of option grants provides a retention benefit to Associated. The number of options made available for grant reflects the aggregate of the targeted percentages of base pay of the recipients. The percentage for Mr. Beideman was 67% and was 60% for the other NEOs. The Committee has discretion to allocate shares among the recipients to reflect business and individual performances, as well as the executive's compensation in relation to peer companies. Options may be exercised in accordance with defined vesting set forth in the option award agreements approved by the



Committee. Generally, those agreements provide for vesting over a three-year period. All stock options granted to date require that options be exercised during employment except in the event of retirement, death or disability. Options granted in July 1999 under the 1999 Non-Qualified Stock Option Plan, and options granted prior to 1999 under the Amended and Restated Long Term Incentive Plan, may be exercised during the entire term of the option in the event of retirement. Otherwise, all options granted under other plans must be exercised within one year of retirement. All stock options granted to date immediately vest upon a change in control of Associated.

***Performance-Based Restricted Shares ("Performance Shares")*** — Performance Shares are a form of restricted stock grant in which shares are earned, or eligible to have restrictions lapse, based upon the achievement by Associated of EPS objectives, thus rewarding performance. Except in the event of death, disability, retirement or termination without cause, the recipient must be employed at the end of the entire performance period for restrictions to lapse. Thus, both performance and service requirements must be met for restrictions to lapse. Only the CEO has received grants of Performance Shares. All restrictions on Performance Shares granted to date lapse upon a change of control of Associated. At December 31, 2007, there were no Performance Share grants outstanding and no grants were awarded in 2007.

***Service-Based Restricted Shares ("SBRS")*** — SBRS grants are a form of restricted stock grant for which the restrictions lapse solely by the passage of time during employment. The purpose of SBRS grants is to increase the ownership of Associated stock by the executive and to ensure attraction and retention of talent. In 2007, the Committee placed additional emphasis on retention of talent in making grants of SBRS by making a special retention grant equal to 25% of each NEO's target annual grant as well as an additional increment for Mr. Beideman and Ms. Binder in order to bring their total compensation in line with the market. The Committee felt that the additional grant of SBRS would provide additional retention incentive over the 3-year vesting term as well as additional motivation to increase shareholder value. The SBRS grants assist the executive to achieve Associated's stock ownership requirements for executives. SBRS have been granted to all of the NEOs. The number of shares made available for grant reflects the aggregate of the targeted percentages of base pay of the recipients. The targeted percentage for Mr. Beideman was 67% and was 60% for the other NEOs. The Committee has discretion to allocate shares among the recipients to reflect business and individual performances, as well as the executive's compensation in relation to peer companies. SBRS grants to the CEO are determined by the Committee. The CEO makes recommendations for SBRS grants to the other NEOs which are subject to review and approval by the Committee. Restrictions lapse as to 34% of the shares upon the first anniversary following the date of grant, and as to 33% of the shares on each of the second and third anniversary following the date of grant. An SBRS recipient must be employed on the vesting date or the shares are forfeited. All restrictions on SBRS granted to date immediately vest upon a change of control of Associated.

***Granting Policies and Practices.*** Grants of equity based awards (i.e., stock options, Performance Shares, SBRS) are generally made at the first Committee meeting of each year. Associated's practice is to establish the option exercise price at the closing price of Associated's stock at the date of the grant.

#### **Associated Banc-Corp Incentive Compensation Plan**

The Associated Banc-Corp Incentive Compensation Plan provides a potential cash award based upon Associated's EPS results against the targeted EPS for a multi-year performance period, and performance relative to performance of the peer group described above. A new multi-year performance period begins each year and performance is measured at the end of each multi-year performance period. Therefore, the participating executives may realize a payment from this program each year if Associated is successful in achieving the goals of the program for the multi-year period ending in that year.

The following table sets forth the performance measures and award potential for the multi-year performance periods in effect at December 31, 2007:

	Plan Period			
	2005 -2007	2006-2008	2007-2008	2007-2009
Performance Measure -EPS % Growth-Threshold	8%	8%	2%	2%
Performance Measure -EPS % Growth-Target	10%	10%	3%	3%
Performance Measure -EPS % Growth-Maximum	12%	12%	4.5%	4.5%
Target Payment as a % of Base Salary — CEO	100%	55%	45%	67%
Target Payment as a % of Base Salary — Other NEOs	100%	60%	40%	60%
Threshold Payment as a % of Target Payment	38%	38%	25%	25%
Maximum Payment as a % of Target Payment	188%	219%	263%	263%

No cash incentive compensation under this plan was earned or paid for the 2005-2007 award cycle as Associated did not achieve its EPS growth goal. In 2006, based upon the Consultant's recommendations, the Committee made modifications for the 2007-2009 plan cycle in order to maintain Associated's ability to retain its executive talent, and to ensure that the total targeted compensation reflects the performance of Associated while remaining competitively positioned among the peer companies. The goal for this plan is based on achieving an EPS growth target. The plan goals were adjusted to more closely reflect the competitive environment of the stated peer group. In the prior formula for this plan, the "peer group modifier" applied to increase or decrease an award only if there was an underlying award based on performance against goal. For plan cycles beginning in 2007, if the EPS growth is at the 50th percentile of the peer group, a threshold award of 25% may be made in accordance with stated parameters, even though the primary EPS growth goal is not met. Also, the "peer group modifier," which previously ranged from a potential decrease of 25% to an increase of 25%, was modified to provide for a potential decrease of 50% to a potential increase of 50%. The Committee also established an additional 2007-2008 award cycle, which offers the potential of award compensation at 2/3 of the level available under the 2007-2009 award cycle (because the performance period is two rather than three years), and adopted limitations to ensure that under no circumstances would the combination of outstanding awards under the 2005-2007, 2006-2008 and 2007-2008 award cycles exceed the maximum that could have been earned under the combined 2005-2007 and 2006-2008 award cycles.

For performance periods beginning prior to 2007, if a cash award is earned because Associated's EPS is at or above the threshold achievement, then awards are increased or reduced based upon a "peer group modifier," which measures Associated's EPS growth relative to that of a peer group, defined as the top 50 banks reported by SNL Financial as of the end of the performance period, excluding the top 10 largest banks in this group and excluding any companies with a mix of business which is not principally commercial banking (those with non-interest revenues that are equal to or exceed 70% of operating revenues). If Associated's performance is at or below the first quartile of this peer group, the cash award is reduced to 75% of its targeted value. Performance that puts Associated between the 25th and 45th percentile will reduce the award to 90% of its targeted value and performance between the 45th and 55th percentile of the peer group will not affect the cash award. Performance between the 55th and 75th percentile of the peer group will increase the cash award to 110%. Finally, if Associated's performance is at or above the 75th percentile of the peer group, the cash award is increased to 125% of original value.

The plan provides that under certain circumstances, the Committee may approve adjustment of the EPS results for part or all of extraordinary gains or losses for the year. Examples of such adjustments would be gain or loss from the disposal of a business segment, restructuring charges relative to mergers and acquisitions, unusual or infrequently occurring events and transactions and cumulative effects of changing accounting principles.

Upon a change in control of Associated, if the Committee determines that the performance goals are satisfied or likely to be satisfied, an award, prorated for the portion of the performance period that has elapsed, is payable.

### **Deferred Compensation Plan**

Associated maintains a nonqualified deferred compensation plan to permit certain employees to defer current compensation to accumulate additional funds for retirement. All NEOs were eligible to participate in 2007. During 2007, two of the NEOs (Mr. Beideman and Mr. Weber) participated in the plan. The plan allows eligible employees to defer up to 50% of base salary and up to 100% of cash incentive compensation. The participant receives payment of deferred amounts in lump sum, five or ten equal annual installments beginning six months following the participant's retirement or termination date pursuant to a distribution election made prior to the commencement of deferrals. Under limited circumstances, the plan will allow for distributions during employment. Each participant may, on a daily basis, specify investment preferences from among various investment options for the account, subject to final approval by the Administrator and Trustee. The participant retains all rights to amounts in his or her account if employment terminates for any reason. Earnings are not supplemented by Associated.

### **Retirement Plans**

All of the NEOs participate in the RAP and the SERP, and all, except Ms. Binder, participate in the 401(k) Plan.

The RAP is a qualified defined benefit plan with cash balance features, designed to provide participants with a monthly income stream at retirement, with an escalator feature for inflation. A participant is eligible to receive an accrual under the RAP after completing 1,000 hours of service during the plan year after his or her date of hire. Each participant receives an annual accrual of 5% of eligible compensation, subject to the IRS annual limitation which was \$225,000 in 2007. A participant fully vests in the accrued benefit at normal retirement (age 65) or upon death or disability while employed by Associated, and in accordance with the plan's vesting schedule, which provides for 50% vesting at 3 years, 75% vesting at 4 years, and 100% vesting at 5 years of credited service. All NEOs are 100% vested in the RAP, except Ms. Binder who is not currently vested based on her time of service with Associated. Participants may be eligible to receive an early retirement benefit at age 55. The early retirement benefit reflects a reduction from a normal benefit at 2/12 of 1% for each month the benefit commencement date precedes the normal retirement date, subject to the vesting schedule. A retirement subsequent to the normal retirement date would increase the normal benefit by 3/12 of 1% for each month the benefit commencement date follows the normal retirement date.

Beginning in 2007, Associated ceased making any profit-sharing contribution to the 401(k) Plan. Vesting in prior years' profit-sharing contributions to the 401(k) Plan is at 50% after 3 years, 75% after 4 years, and 100% after 5 years. All NEOs other than Ms. Binder are 100% vested in the profit-sharing component of the 401(k) Plan; this component of the Plan was discontinued prior to the time Ms. Binder joined Associated. All participants' benefits fully vest upon a change of control of Associated.

Any eligible participant may make contributions to the 401(k) Plan subject to the limitations established by the IRS. Beginning in 2007, the 401(k) matching contribution made by Associated was 100% of the first 3% and 50% of the next 3% of a participant's contributions. Vesting in the participant's contributions and the Associated match is immediate.

The SERP is a nonqualified plan into which Associated makes a restorative contribution for all income that exceeds the IRS annual limitation. The contribution is equal to the excess of the amount which would have been accrued under the RAP and the 401(k) Plan but for the IRS annual limitation over the amount actually accrued by the Participant for such plan year under the RAP and 401(k) Plan. Accruals under the SERP occur at the same rate and time as accruals under the RAP and 401(k) Plan. A Participant is 100% vested in his or her SERP account balance after 5 years of service. Distributions from the SERP are made



at the same time and in the same amount as any distribution from the 401(k) Plan. All NEOs except Ms. Binder are vested in their respective SERP accounts. All participants' benefits fully vest upon a change of control of Associated.

## **Perquisites**

Perquisites for the NEOs include participation in certain company-subsidized benefits that are also available to all eligible and/or participating employees. Perquisites available to only the NEOs and/or to a limited group of executives or management are described below.

Certain of Associated's senior executives may elect to receive an annual executive physical examination at Associated's expense. Certain costs of the program are taxable income to the executive. All of the NEOs were eligible for an executive physical in 2007.

The automobile program provides a choice to executives (once per year) of either \$800 per month, or the standard IRS mileage rate reimbursement. The \$800 option is taxable income to the executive.

Associated reimburses participating executives for initiation fees and other annual fixed costs of club membership. The executive is responsible for paying any equity membership costs and will therefore retain the rights to that club equity. Compensation for all membership costs is taxable income to the executive.

The NEOs and other senior officers were each offered a one-time option to increase the monthly maximum Long Term Disability benefit from the standard \$10,000 maximum monthly benefit to a \$15,000 maximum monthly benefit. Associated pays 50% of the premium for Long Term Disability Benefits.

Associated conducts an annual recognition event for its top sales producers. This sales recognition trip is hosted by the CEO and several of the NEOs. Since the trip has been deemed to be a personally taxable event, Associated has added the value of the trip to personal income and assists the participants with the tax expense related thereto.

Associated offers relocation benefits to NEOs who join Associated. These benefits vary upon the individual circumstances of the executive.

## **Determination of President and Chief Operating Officer Employment Terms**

Lisa B. Binder joined Associated in the position of President and Chief Operating Officer ("COO") in January 2007. The Committee retained the Consultant to study the base salaries of COOs with financial services companies of comparable asset size to Associated and to provide recommendations as to Associated's COO base salary. Not all the companies in Associated's peer group discussed above had a COO; however, most of the companies considered by the Consultant in determining Associated's COO's base salary were included in Associated's peer group. Consistent with Associated's objective to pay a base salary that is competitive with that of peer companies, the Committee used data from the Consultant to determine Ms. Binder's initial base salary in her offer letter. The annual bonus payable under the PIP Plan was guaranteed at 100% of target for the first year to provide Ms. Binder a period of transition at Associated and a signing bonus and equity grants were provided as added incentives for her to accept the position. Once her base salary was determined, the Committee structured incentive awards at a level consistent with the compensation components of current compensation plans. In addition, the Committee determined a relocation package for Ms. Binder based on Associated's relocation program for its senior executives and considered the reimbursement of additional costs and losses related to Ms. Binder's relocation based on her particular circumstances.

## **Post-Termination and In-Service Arrangements**

Each of the NEOs is currently employed on an "at will" basis and none is party to an employment agreement.

In the event the employment of a participant in the Associated Banc-Corp Incentive Compensation Plan is terminated due to death, disability or retirement, the plan award, if any, will be pro-rated. Otherwise, a participant must be an employee on the last day of the performance period to be eligible to receive an award.

Executives who are employed by Associated must be actively on the payroll at the time of the payment of the annual incentive bonus under the Associated Banc-Corp Incentive Compensation Plan, which is usually paid in March following the performance calendar year. Those executives who leave Associated prior to the payment for reasons of death or disability will have their payment prorated for the months they were actively in their position during the year. Participants who retire on or after October 1st of the year in which performance is measured will have their payment prorated for the months they were active in the position. These prorated payments will be made during the normal bonus payment distribution cycle and will not be advanced.

### **Change of Control Plan**

Associated's Change of Control Plan (the "Plan") is intended to provide severance benefits to the CEO and certain senior officers in the event of their termination of employment following a change of control of Associated (as defined below). As of December 31, 2007, the NEOs and 23 other senior officers are currently designated to participate under the Plan. The CEO is authorized to designate additional senior officers to participate in the Plan. See also "Potential Payments Upon Termination or Change of Control."

The Plan, including the Plan schedule, may be amended by the Board of Directors, subject to certain limitations, at any time by Associated prior to a Change of Control. Associated believes the terms of its Change of Control Plan are consistent with current market practices.

### **Accounting and Tax Considerations**

Associated desires to maximize return to its shareholders, as well as meet its goal of the compensation policy (outlined under "Objectives of the Compensation Program"). As part of balancing these objectives, management (particularly the Committee, the CEO, and the Director of Human Resources) gives consideration to the accounting and tax treatment to Associated, and to a lesser extent the tax treatment to the executive, when making compensation decisions. For example, nonqualified stock options are tax deductible to Associated while incentive stock options are not unless they are sold within one year of the date of exercise. Beginning in 2005, Associated has only issued nonqualified stock options. Also, Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" ("SFAS 123R"), became effective for Associated on January 1, 2006, and required all share-based payments to employees, including grants of employee stock options, to be valued at fair value on the date of grant and to be expensed over the applicable vesting period. When considering this accounting pronouncement and with appropriate approval from Associated's shareholders to amend applicable stock option plans, the Board of Directors eliminated the requirement that stock options may not be exercisable earlier than one year from the date of grant, allowing the stock options granted in January 2005 and December 2005 to be fully vested by year-end 2005, minimizing the initial expense recognition impact from SFAS 123R by Associated in 2006.

Section 162(m) of the Internal Revenue Code generally disallows a federal income tax deduction to public companies for compensation over \$1,000,000 paid to the corporation's CEO and the three other most highly compensated executive officers. Qualifying performance-based compensation is not subject to the deduction limitation if certain requirements are met. The Committee's policy with respect to Section 162(m) of the Code is to qualify such compensation for deductibility where practicable. Options, performance shares, and the long-term cash incentive awards granted under the Associated Banc-Corp Incentive Compensation Plan have been structured to qualify as performance-based compensation and, accordingly, the compensation realized from these long-term incentive vehicles will be fully deductible by Associated. A portion of base salary and bonus paid to Mr. Beideman during the fiscal year ended December 31, 2007, exceeds the limits on deductibility.



The American Jobs Creation Act of 2004 changed the tax rules applicable to nonqualified deferred compensation arrangements. The Internal Revenue Service finalized income tax regulations in 2007, and Associated is in the process of amending its nonqualified deferred compensation arrangements as required by December 31, 2008, to comply with such final regulations. Associated believes it is operating in good faith compliance with the statutory provisions which were effective January 1, 2005. See "Deferred Compensation Plan" for a more detailed discussion of Associated's nonqualified deferred compensation arrangements.

### **Recovery of Compensation**

Associated has no policies for recovery of compensation in the event of financial adjustments or restatements.

### **Security Ownership Guidelines**

On December 17, 2007, the Committee revised the previously-established stock ownership guidelines for the NEOs and 15 other senior officers, who are regional presidents and other key executives identified by the Chief Executive Officer, as well as for the Company's outside directors. The purpose of the guidelines is to ensure that Associated's senior executives, as well as the Board, own a portion of Associated stock which bears a relationship to their cash compensation to help assure that their business decisions are made in the best interests of long-term shareholder value. The guidelines provide that the CEO hold at least five times his annual base salary in Associated stock. Ms. Binder, Mr. McMullen, Mr. Weber and Mr. Selner must each hold at least four times their respective base salaries in Associated stock. All individuals have until the later of (1) July 26, 2011, or (2) five years from the date such individual became subject to the guidelines to become compliant with these guidelines. Stock ownership counted towards the ownership requirement includes stock invested through deferred compensation programs, 401(k) accounts, shares owned outright by the executive, Performance Shares and SBRS. It does not include stock options. If the ownership goal is not achieved within the specified time period, the executive will be required to retain ownership of 100% of the net (after tax) vested SBRS and 100% of the net (after tax) shares from the in-the-money value of option exercises until such time as the goal is achieved.

## **COMPENSATION AND BENEFITS COMMITTEE REPORT**

The Compensation and Benefits Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation and Benefits Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement for filing.

### **THE COMPENSATION AND BENEFITS COMMITTEE**

John C. Meng, Chairman

Ruth M. Crowley

John C. Seramur

## SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary \$(1)	Bonus \$(2)	Stock Awards \$(3)	Option Awards \$(4)	Non-Equity Incentive Plan Compensation \$(5)	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation \$(7)	Total \$(8)
							\$(6)		
Paul S. Beideman	2007	\$842,308	\$600,000	\$290,987	\$109,533	0	\$ 108,072	\$ 58,093	\$2,008,993
Chairman and CEO	2006	788,615	545,200	173,522	101,396	0	130,153	63,072	1,801,958
Lisa B. Binder(9)	2007	497,115	650,000	172,635	101,315	0	29,856	282,464	1,733,385
President and COO									
Gordon J. Weber	2007	389,992	100,000	130,120	57,667	0	122,984	43,955	844,718
Executive Vice President, Director, Corporate Banking	2006	378,892	200,000	61,600	36,985	0	119,666	36,542	833,685
Joseph B. Selner	2007	346,223	200,000	153,839	57,153	0	59,960	27,026	844,201
Executive Vice President, Chief Financial Officer	2006	331,108	200,000	73,920	30,821	0	77,178	19,309	732,336
Mark J. McMullen	2007	350,119	175,000	130,120	51,088	0	63,370	39,146	808,843
Executive Vice President, Director, Wealth Management	2006	340,169	170,000	61,600	30,821	0	85,324	18,997	706,911

- (1) Salary represents amounts paid during the calendar year whether or not receipt of any such amounts was deferred by the executive.
- (2) Bonus represents amounts earned in 2006 and 2007 and awarded as a discretionary bonus in 2007 and 2008, respectively.
- (3) Stock Awards refers to the compensation expense recognized in Associated's consolidated income statement for 2006 and 2007, determined in accordance with SFAS 123R related to SBRS (applicable to all of the NEOs) and to performance shares (applicable only to the CEO). At year-end 2006 and 2007, the EPS hurdle underlying a performance share award to the CEO of 17,000 shares each year was not met and the shares were forfeited. As a result, the amount shown in the above table for the CEO for 2006 and 2007 includes a reversal of \$174,110, the expense recognized prior to 2006 and 2007, respectively, while the performance condition was considered probable. See also sections "Performance-Based Restricted Shares," "Service-Based Restricted Shares" and "Accounting and Tax Considerations." For further discussion and details regarding the accounting treatment and underlying assumptions relative to stock-based compensation, see Note 11, "Stock-Based Compensation," of the notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.
- (4) Option Awards refers to the compensation expense recognized in Associated's consolidated income statement for 2006 and 2007, determined in accordance with SFAS 123R, related to stock options. Neither 2006 nor 2007 included SFAS 123R compensation expense related to stock options awarded in 2005, as these options were fully vested by December 31, 2005, and there were no stock options awarded to the NEOs during 2006. See also sections "Stock Options" and "Accounting and Tax Considerations." For further discussion and details regarding the accounting treatment and underlying assumptions relative to stock-based compensation, see Note 11, "Stock-Based Compensation," of the notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of Associated's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.
- (5) Non-Equity Incentive Compensation for 2007 refers to the 2005-2007 award cycle of the Associated Banc-Corp Incentive Compensation Plan determined to be earned as of December 31, 2007. There will be no payment made in 2008 for the 2005-2007 award cycle as the targeted EPS growth objectives were not achieved. See also "Associated Banc-Corp Incentive Compensation Plan."

(6) Reflects the total of the change in present value of the RAP and the SERP, respectively as follows:

NAME	2007			2006		
	RAP	SERP	TOTAL	RAP	SERP*	TOTAL
Paul S. Beideman	\$13,512	\$94,560	\$108,072	\$12,630	\$117,523	\$130,153
Lisa B. Binder	11,250	18,606	29,856	N/A	N/A	N/A
Gordon J. Weber	27,811	95,173	122,984	26,249	93,417	119,666
Joseph B. Selner	30,526	29,434	59,960	28,834	48,344	77,178
Mark J. McMullen	30,489	32,881	63,370	28,799	56,525	85,324

(\*) Change in SERP present values adjusted to include Associated contributions made in 2007 for 2006.

No above market or preferential earnings are credited on deferred compensation. All NEOs other than Ms. Binder are 100% vested in both their RAP and SERP accounts. Ms. Binder is 0% vested in both her RAP and SERP accounts.

- (7) Other Compensation for 2007 includes for each of the NEOs: employer-paid premiums for life insurance and long term disability insurance coverages, the employer match on the NEO's 2007 contributions to the 401(k) Plan (\$10,125 each for Mr. Beideman, Mr. Weber, Mr. Selner and Mr. McMullen), and the allowance received for business use of an automobile. For Mr. Beideman, it also includes the 10% employer match on his purchases through the employee stock purchase program, the value of a sales recognition trip, reimbursement for federal and state income tax related to the sales recognition trip (\$1,462), dividends received on restricted stock prior to the forfeiture of such stock (\$20,740), and club membership fees. For Ms. Binder, it also includes the cost of a physical examination, payment of relocation expenses (\$256,031), the value of a sales recognition trip, and reimbursement for federal and state income tax related to the taxable portions of the relocation expenses (\$7,700) and the sales recognition trip (\$1,462). For Mr. Weber, it also includes the cost of a physical examination, the value of a sales recognition trip, reimbursement for federal and state income tax related to the sales recognition trip (\$1,294), and club membership fees. For Mr. Selner, it also includes the 10% employer match on his purchases through the employee stock purchase program and club membership fees. For Mr. McMullen, it also includes the cost of a physical examination, the value of a sales recognition trip, and reimbursement for federal and state income tax related to the sales recognition trip (\$1,294) and club membership fees.
- (8) In 2007, "Salary" and "Bonus" accounted for approximately 67% of the total compensation of the NEOs.
- (9) Ms. Binder became Associated's President and Chief Operating Officer effective January 29, 2007. Terms of her employment included the following: initial annual salary of \$550,000; participation in the PIP Plan with a target bonus of 100% of annual salary, with actual bonus payments determined by corporate and individual performance and approved by the Board of Directors; first-year 2007 bonus under the PIP Plan guaranteed at \$550,000, payable in the first quarter of 2008; sign-on bonus of \$100,000, paid within the first month of employment; participation in the 2003 Long-Term Incentive Plan, which currently considers distributions of awards annually, typically in January; option grant of 50,000 shares which vest over a three-year period at a grant price of \$33.85, the closing stock price on her hire date; SBRS grant of 15,000 restricted stock shares which vest over a three-year period, granted on her hire date; participation in the 2003 Associated Banc-Corp Incentive Compensation Plan for performance periods 2005-2007 and 2006-2008, with her payment for target performance in each period to be based upon 60% of her salary at the time of hire pro-rated for the number of months employed for each performance period, and participation in the 2007-2008 and 2007-2009 award cycles; and participation in the Change of Control Plan with separation benefits based upon two and a half years of base salary and target bonus as outlined in the Plan and a relocation package related to her particular circumstances.

## GRANTS OF PLAN BASED AWARDS DURING 2007

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)(4)	All Other Option Awards: Number of Securities Underlying Options (#)(5)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(6)
		Threshold (\$)(2)	Target (\$)	Maximum (\$)(3)				
Paul S. Beideman	1/24/07				16,200	50,000	\$33.89	\$852,268
2007-2008	1/24/07	90,000	360,000	945,000				
2007-2009	1/24/07	134,000	536,000	1,407,000				
Lisa B. Binder	1/29/07				15,000	50,000	33.85	811,695
2005-2007	1/29/07	41,800	110,000	206,800				
2006-2008	1/29/07	83,600	220,000	481,800				
2007-2008	1/29/07	55,000	220,000	577,500				
2007-2009	1/29/07	82,500	330,000	866,250				
Gordon J. Weber	1/24/07				6,000	27,000	33.89	367,095
2007-2008	1/24/07	38,060	152,240	399,630				
2007-2009	1/24/07	57,090	228,360	599,445				
Joseph B. Selner	1/24/07				7,000	27,000	33.89	400,985
2007-2008	1/24/07	33,260	133,040	349,230				
2007-2009	1/24/07	49,890	199,560	523,845				
Mark J. McMullen	1/24/07				6,000	24,000	33.89	348,900
2007-2008	1/24/07	34,170	136,680	358,785				
2007-2009	1/24/07	51,255	205,020	537,178				

- (1) Cash awards established in 2007 for the 2007-2008 and 2007-2009 award cycles under the Associated Banc-Corp Incentive Compensation Plan. Effective with her hire date in 2007, Ms. Binder was also granted participation in the earlier 2005-2007 and 2006-2008 award cycles, pro-rated for months of employment in each performance period. See "Associated Banc-Corp Incentive Compensation Plan " for further discussion and details of each award cycle.
- (2) For the 2007-2008 and 2007-2009 award cycles, threshold represents payment of 25% of target if EPS performance level achieved by Associated is at the 50<sup>th</sup> percentile of the peer group, and actual EPS results are below the threshold achievement level. For the 2005-2007 and 2006-2008 award cycles, threshold represents payment if minimum EPS performance level is achieved, as affected by the peer group modifier.
- (3) Represents the amount payable if Associated meets the maximum EPS goal level and achieves its maximum level of peer modifier.
- (4) Represents the January 24, 2007, grants of SBRS to Mr. Beideman, Mr. Selner, Mr. Weber and Mr. McMullen, and the January 29, 2007 grant of SBRS to Ms. Binder. See "Equity Awards."
- (5) Represents the January 24, 2007, grants of stock options with an option price of \$33.89 and the January 29, 2007 grant of stock options with an option price of \$33.85.
- (6) Represents the January 24, 2007, grants of SBRS at a \$33.89 per share fair market value on the date of grant and the January 29, 2007 grant of SBRS at \$33.85 per share fair market value on the date of grant, the January 24, 2007, and January 29, 2007, grants of stock options. See "Accounting and Tax Considerations." For further discussion and details regarding the accounting treatment and underlying assumptions relative to stock-based compensation, see Note 11, "Stock-Based Compensation," of the notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of Associated's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

## OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2007

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date (1)	Number of Shares or Units of Stock Held That Have Not Vested (#)	Market Value of Shares or Units of Stock Held That Have Not Vested (\$)(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value Of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Paul S. Beideman	25,000	0	0	\$23.25	04/28/2013				
	112,500	0	0	29.08	01/28/2014				
	73,500	0	0	33.18	02/10/2015				
	60,600	0	0	32.82	12/13/2015				
	0	50,000	0	33.89	01/24/2017				
						24,186(3)	\$655,199	0	0
						7,500(4)	203,175	0	0
Lisa B. Binder	0	50,000	0	33.85	01/29/2017				
						15,000(5)	406,350	0	0
Gordon J. Weber	2,362	0	0	22.20	01/28/2008				
	14,924	0	0	16.70	01/27/2009				
	3,141	0	0	21.76	07/28/2009				
	28,003	0	0	16.84	01/26/2010				
	39,175	0	0	19.47	01/24/2011				
	37,177	0	0	21.24	01/23/2012				
	40,617	0	0	22.98	01/22/2013				
	45,000	0	0	29.08	01/28/2014				
	35,000	0	0	33.07	01/26/2015				
	27,000	0	0	32.82	12/13/2015				
	0	27,000	0	33.89	01/27/2017				
						9,630(3)	260,877	0	0
Joseph B. Selner	30,854	0	0	16.70	01/27/2009				
	2,256	0	0	21.76	07/28/2009				
	33,939	0	0	16.84	01/26/2010				
	41,249	0	0	19.47	01/24/2011				
	41,249	0	0	21.24	01/23/2012				
	37,500	0	0	22.98	01/22/2013				
	37,500	0	0	29.08	01/28/2014				
	50,000	0	0	33.07	01/26/2015				
	33,000	0	0	32.82	12/13/2015				
	0	27,000	0	33.89	01/24/2017				
						11,356(3)	307,634	0	0
Mark J. McMullen	23,594	0	0	16.70	01/27/2009				
	2,686	0	0	21.76	07/28/2009				
	29,946	0	0	16.84	01/26/2010				
	41,249	0	0	19.47	01/24/2011				
	41,249	0	0	21.24	01/23/2012				
	37,500	0	0	22.98	01/22/2013				
	37,500	0	0	29.08	01/28/2014				
	40,000	0	0	33.07	01/26/2015				
	24,000	0	0	32.82	12/13/2015				
	0	24,000	0	33.89	01/24/2017				
						9,630(3)	260,877	0	0

- (1) Options with an expiration date of 7/28/09 were granted on 7/28/99 and vested on 7/28/01; options expiring between 2008 and 2014 (excluding those expiring 7/28/09) and in 2017 have a three-year vesting schedule (34% vest on the first anniversary following the date of the grant; the remaining options vest 33% each on the

second and third anniversaries following the date of the grant); options expiring on 1/26/15 vested on 6/30/05; options expiring on 12/13/15 vested immediately upon the grant date of 12/13/05.

- (2) Market value based on closing price of Associated Banc-Corp common stock of \$27.09 on December 31, 2007.
- (3) SBRS granted on January 25, 2006 and January 24, 2007, on which restrictions have not lapsed. For both grants, restrictions lapse on a three-year schedule, with 34% lapsing on the first anniversary of the date of the grant, and 33% on each of the second and third anniversary dates following the grant. Recipient must be employed on the date restrictions lapse or the shares are forfeited.
- (4) 30,000 SBRS were granted on 4/28/03. 15,000 of those shares vested on 4/28/06. 7,500 shares vested on 4/28/07 and 7,500 will vest on 4/28/08. Mr. Beideman must be employed on the date of vesting or the shares are forfeited.
- (5) SBRS granted on January 29, 2007. Restrictions lapse on a three-year schedule, with 34% lapsing on the first anniversary of the date of the grant, and 33% on each of the second and third anniversary dates following the grant. Ms. Binder must be employed on the date restrictions lapse or the shares are forfeited.

## OPTION EXERCISES AND STOCK VESTED IN 2007

Name of Executive Officer	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise or Vesting (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Paul S. Beideman	50,000	\$555,750	11,614(3) 8,500(4)	\$381,122 230,265
Lisa B. Binder	0	0	0	0
Gordon J. Weber	45,778	540,492	1,870(3)	62,851
Joseph B. Selner	41,743	601,751	2,244(3)	75,421
Mark J. McMullen	18,149	125,516	1,870(3)	62,851

- (1) Value based on difference between market price on the date of exercise and the option price set forth in the Option Agreement.
- (2) Value based on the closing price of Associated common stock on the date restrictions lapsed.
- (3) Represents SBRS for which restrictions have lapsed.
- (4) 51,000 Performance Shares were awarded on January 1, 2005. Under the terms of the award, 17,000 shares were either eligible to be earned or forfeited as of each of the performance measurement dates of 12/31/05, 12/31/06 and 12/31/07. As of each of the performance measurement dates, the Committee determined whether the established performance goals were met. As of 12/31/05, 8,500 of the shares were determined to be earned, and 8,500 were forfeited. As of 12/31/06, 17,000 of the shares were determined to be forfeited. As of 12/31/07, 17,000 shares were determined to be forfeited. Earned shares vested on 12/31/07.

## PENSION BENEFITS IN 2007

Name	Plan Name (1)	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Paul S. Beideman	RAP	5	\$ 58,743	0
	SERP	5	439,524	0
Lisa B. Binder	RAP	1	11,250	0
	SERP	1	18,606	0
Gordon J. Weber	RAP	37	359,030	0
	SERP	37	529,377	0
Joseph B. Selner	RAP	35	416,037	0
	SERP	35	196,009	0
Mark J. McMullen	RAP	27	415,263	0
	SERP	27	263,147	0

(1) Information regarding the RAP and the SERP can be found under "Retirement Plans."

## NONQUALIFIED DEFERRED COMPENSATION IN 2007

Name	Executive Contributions in last FY (\$)	Registrant Contributions in last FY (\$)	Aggregate Earnings in last FY \$(1)	Aggregate Withdrawals/ Distributions \$(2)	Aggregate Balance at last FYE \$(3)
Paul S. Beideman	\$ 480,000	\$ 0	\$ 109,875	\$ 0	\$ 2,160,571
Lisa B. Binder	0	0	0	0	0
Gordon J. Weber	0	0	27,403	0	228,333
Joseph B. Selner	0	0	0	0	0
Mark J. McMullen	0	0	0	0	0

- (1) Aggregate earnings are based on the performance of investments within the Associated Banc-Corp Deferred Compensation Plan. The Deferred Compensation Plan is available to those executives who are highly compensated, according to IRS Section 414(q)(1)(B). Participants may defer up to 50% of their base salary and up to 100% of their cash incentive compensation. A minimum deferral of \$10,000 per year is required in order for an individual to participate. Each participant may specify investment preferences for his or her account, subject to final approval by the Administrator and Trustee, electing from among various investment options. All participating NEOs are fully vested in this plan.
- (2) Distributions from this plan are made according to irrevocable elections participants make prior to the commencement of any deferral. Participants may choose a lump sum distribution, or annual installments over a 5 or 10-year period. The first distribution begins 6 months following termination of employment.
- (3) The aggregate balance at 12/31/07 includes a favorable adjustment to correct an administrative error in the starting balance for 2007 of \$6,648 for Mr. Beideman and \$5,314 for Mr. Weber.

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

Associated maintains a Change of Control Plan (the "Plan") to provide severance benefits to the CEO and certain designated senior officers if their employment terminates as a result of a change of control of Associated. As of December 31, 2007, the NEOs and 23 other senior officers are currently designated to participate under the Plan, and prior to a Change of Control, the CEO is authorized to designate additional participating senior officers. All of the NEOs participated in the Plan in 2007.



Under the Plan, if, during a three-year period following a change of control of Associated (or in anticipation of a Change of Control), the executive's employment is involuntarily terminated or if the executive voluntarily terminates employment for various reasons specified in the Plan (see below), the executive would receive compensation in either a lump sum or in installment payments, at Associated's option. The benefits payable include continuation of salary, annual incentive bonus compensation, health, welfare and life insurance benefits, accrued vacation, outplacement benefits, as well as continued participation in retirement programs for a period of from one to three years. Currently the CEO is entitled to a three-year continuation period, the COO is entitled to a two and one-half year continuation period, and the other NEOs are entitled to a two-year continuation period. Associated believes these timeframes are in line with practices at other peer competitors. Benefits also include reimbursement of legal fees and expenses related to the termination of employment or dispute of benefits payable under the Plan. Benefits are not paid in the event of retirement, death, or disability, or termination for cause, which generally includes willful failure to substantially perform duties or certain willful misconduct.

A "Change of Control" under the Plan means generally: (1) a change of ownership of 25% or more of the outstanding voting securities of Associated; (2) a merger or consolidation of Associated with or into a previously unaffiliated entity; (3) a sale by Associated of at least 85% of its assets to an unaffiliated entity; or (4) an acquisition by a previously unaffiliated entity of 25% or more of the outstanding voting securities of Associated (whether directly, indirectly, beneficially, or of record).

Benefits would be payable if the executive voluntarily terminates employment due to a change in the employee's duties and responsibilities which are inconsistent with those prior to the Change of Control, a reduction in salary, change in title, or a discontinuation of any bonus plan or certain other compensation plans, a transfer to an employment location greater than 50 miles from the employee's present office location, or certain other breaches.

The Plan also provides for gross-up payments for any excise taxes incurred under Section 280G of the Internal Revenue Code as a result of any benefits paid to the participants in connection with a change of control.

The following is a summary of estimated maximum payments the NEOs would receive in the event of separation from employment triggering benefits under the Plan at December 31, 2007.

	Duration of Payments	Total Salary Continuation Benefit (1)	Medical/ Dental/ Life Insurance Benefits For the Duration of Payments (2)	Accrued Vacation (3)	Retirement Plan Contributions, Including the RAP, 401(k) and SERP	Incentive Bonus	Outplacement Benefit	Total (4)
Paul S. Beideman	3 Years	\$2,550,000	\$ 65,800	\$ 94,800	\$ 369,800	\$3,400,000	\$ 20,000	\$6,500,400
Lisa B. Binder	2 1/2 Years	1,375,000	73,400	61,300	199,400	1,925,000	20,000	\$3,654,100
Gordon J. Weber	2 Years	783,400	66,100	43,700	94,000	587,600	20,000	\$1,594,800
Joseph B. Selner	2 Years	697,400	51,200	38,900	83,700	523,000	20,000	\$1,414,200
Mark J. McMullen	2 Years	703,300	49,700	39,200	84,400	527,500	20,000	\$1,424,100

(1) Based on base salary at 12/31/2007.

(2) Based on program costs at 12/31/2007.

(3) Maximum unused vacation accrual allowed by Company policy.

(4) The Change of Control Plan also provides for (a) payment of legal fees and expenses, if any, incurred as a result of a termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination of employment or in seeking to obtain or enforce any right or benefit provided by the Plan), and (b) in the event the participant is subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, a payment in an amount that will place the participant in the same after-tax economic position that the Participant would have enjoyed if the Excise Tax had not applied to the payment(s) provided under the Change of Control Plan.

## **DIRECTOR COMPENSATION**

The 2007 compensation for non-employee directors of Associated approved by the Board on January 24, 2007, is comprised of:

- \$30,000 annual retainer
- \$75,000 additional retainer for the Lead Director
- \$8,500 additional retainer for Audit Committee Chair
- \$5,750 additional retainer for Compensation and Benefits and Corporate Governance Committee Chair
- \$1,750 Board meeting fee
- \$1,750 Audit Committee meeting fee
- \$1,250 Compensation and Benefits Committee, Corporate Governance Committee and Corporate Development Committee meeting fee
- Directors' Deferred Compensation Plan contribution of \$40,000

The 2008 compensation for non-employee directors of Associated approved by the Board on January 23, 2008, is unchanged from that of 2007.

Directors are subject to Associated's security ownership requirements, which require each director to hold Associated stock in an amount equal to five times the annual Associated contribution to the Director Deferred Compensation Plan. All directors have until the later of (1) July 26, 2011, or (2) five years from the date such director was appointed to the Board following adoption of the policy to become compliant with the requirements.

### **Directors' Deferred Compensation Plan**

Through its acquisition of other banks and bank holding companies, Associated Banc-Corp became the sponsor of several plans to which the directors of the acquired organizations had deferred their director compensation. To simplify ongoing administration, Associated Banc-Corp established its own directors' deferred compensation plan and merged the predecessor plans into it effective July 1, 1999.

Each year, Associated Banc-Corp makes a monetary contribution into the Directors' Deferred Compensation Plan for each non-employee director. That contribution must be invested in an account in which returns are based on the performance of Associated common stock.

Directors may also defer any or all of their board fees, including retainers, as well as committee and board meeting fees. Earnings are based on the performance of investments and are not supplemented by Associated. With the exception of the investment of the Associated contribution referenced above, directors may realign investments as frequently as they wish.

Distributions begin six months after a director ceases to serve on the Board, and payments are made according to elections made prior to the commencement of deferrals. Distributions are paid either in a lump sum, or in annual installments over a five-year or ten-year period.

## DIRECTOR COMPENSATION IN 2007

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Karen T. Beckwith	\$101,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$101,500
Ruth M. Crowley	83,250	0	0	0	0	0	83,250
Robert C. Gallagher(2)	158,750	0	0	0	0	6,516	165,266
Ronald R. Harder	108,250	0	0	0	0	0	108,250
William R. Hutchinson	102,750	0	0	0	0	0	102,750
Eileen A. Kamerick	83,500	0	0	0	0	0	83,500
Richard T. Lommen	83,750	0	0	0	0	0	83,750
John C. Meng	86,500	0	0	0	0	0	86,500
J. Douglas Quick	89,500	0	0	0	0	0	89,500
Jack C. Rusch	10,500	0	0	0	0	0	10,500
Carlos E. Santiago	73,250	0	0	0	0	0	73,250
John C. Seramur(3)	86,250	0	0	0	0	0	86,250

- (1) Includes \$40,000 contribution to the Director's Deferred Compensation Plan, except Mr. Rusch who retired prior to the contribution for 2007.
- (2) Other compensation reflects a reimbursement to Mr. Gallagher for a golf club membership.
- (3) Mr. Seramur serves as a director of Associated's wholly owned subsidiary, Associated Trust Company, National Association. Mr. Seramur receives annual director fees of \$2,000 for such service which is not included in the above table.

## SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Exchange Act, Associated's directors and executive officers, as well as certain persons holding more than 10% of Associated's stock, are required to report their initial ownership of stock and any subsequent change in such ownership to the Securities and Exchange Commission, NASDAQ, and Associated (such requirements hereinafter referred to as "Section 16(a) filing requirements"). Specific time deadlines for the Section 16(a) filing requirements have been established.

To Associated's knowledge, based solely upon a review of the copies of such reports furnished to Associated, and upon written representations of directors and executive officers that no other reports were required, with respect to the fiscal year ended December 31, 2007, Associated's officers, directors, and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements except that Gordon Weber reported one transaction late in which he is deemed to have an indirect pecuniary interest.

## RELATED PERSON TRANSACTIONS

Officers and directors of Associated and its subsidiaries, members of their families, and the companies or firms with which they are affiliated were customers of, and had banking transactions with, Associated's subsidiary bank and/or investment subsidiaries in the ordinary course of business during 2007. See also "Compensation and Benefits Committee Interlocks and Insider Participation," above. Additional transactions of this type may be expected to take place in the ordinary course of business in the future. All loans and loan commitments were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other unrelated persons and, in

the management's opinion did not involve more than a normal risk of collectibility or present other unfavorable features. At December 31, 2007, the aggregate principal amount of loans outstanding to directors, officers, or their related interests was approximately \$33 million, which represented approximately 1.4% of consolidated stockholders' equity.

Prior to the consummation of the merger of First Federal Capital Corp ("First Federal") with Associated in October 2004, Mr. Lommen served as a non-employee director of First Federal. Mr. Lommen receives annual payments of \$8,800 for 10 years under the First Federal Director Emeritus Program that began in the fourth quarter of 2004.

Associated has agreed to indemnify Mr. Lommen to the fullest extent permitted by First Federal's Articles of Incorporation, Bylaws, or Wisconsin law and to acquire directors' and officers' liability insurance for a period of six years following the effective time of the merger with respect to matters arising out of his position as a director of First Federal.

### **Related Party Transaction Policies and Procedures**

We have adopted written Related Party Transaction Policies and Procedures that set forth Associated's policies and procedures regarding the identification, review and approval or ratification of "interested transactions." For purposes of Associated's policy only, an "interested transaction" is a transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including indebtedness or guarantee of indebtedness) in which Associated and any "related party" are participants involving an amount that exceeds \$120,000. Certain transactions, including transactions involving compensation for services provided to Associated as a director or executive officer by a related party, are not covered by this policy. A related party is any executive officer, director, nominee for election as director or a greater than 5% shareholder of Associated, including an "immediate family member" of such persons.

Under the policies and procedures, the Corporate Governance Committee reviews and either approves or disapproves the entry into the interested transaction. In considering interested transactions, the Corporate Governance Committee takes into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction.

The Related Party Transaction Policies and Procedures can be found on Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance."

### **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee of the Board is responsible for providing independent, objective oversight of Associated's accounting functions and internal controls. The Audit Committee is currently composed of four directors, each of whom meets the independence requirements set forth under the Exchange Act requirements and in NASDAQ corporate governance rules. The Audit Committee operates under a written charter approved by the Board. The Charter can be found at Associated's website at [www.associatedbank.com](http://www.associatedbank.com), "About Us," "Investor Relations," "Corporate Governance." Associated's Board has also determined that three of the members of the Audit Committee, Ms. Beckwith, Mr. Hutchinson and Ms. Kamerick, are "audit committee financial experts," based upon education and work experience. Associated believes Ms. Beckwith qualifies as an "audit committee financial expert" based upon the fact that she was a Certified Public Accountant and upon her experience as an auditor for Deloitte, Haskins & Sells from 1982 to 1984, as the person responsible for external financial reporting for Deluxe from 1984 to 1995, and as Chief Financial Officer for Gelco from 1999 to 2000. Associated believes Mr. Hutchinson qualifies as an "audit committee financial expert" based upon his experience as Group Vice President, Mergers & Acquisitions, of BP Amoco p.l.c. from January 1999 to April 2001 and Vice President, Financial Operations, Treasurer, Controller, and Vice President — Mergers, Acquisitions & Negotiations of Amoco Corporation, Chicago, Illinois, from 1981

to 1999. Associated believes Ms. Kamerick qualifies as an "audit committee financial expert" based upon her experience as Executive Vice President, CFO and Chief Administrative Officer of Heidrick & Struggles International, Inc., since June 2004, Executive Vice President and CFO of Bcom3 Group, Inc., parent company of Leo Burnett and Starcom Media from August 2001 to January 2003, and Executive Vice President and CFO of United Stationers from 2000 to 2001.

Management is responsible for Associated's internal controls and financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of Associated's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon, as well as an audit of the effectiveness of our internal control over financial reporting in accordance with the Standards of the Public Company Accounting Oversight Board (United States). The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management and the independent registered public accounting firm to review and discuss the December 31, 2007, consolidated financial statements. The Audit Committee also discussed with the independent registered public accounting firm the matters required by Statement on Auditing Standards No. 114 (The Auditor's Communication With Those Charged With Governance), (AICPA, Professional Standards, Vol. 1 AU Section 380). The Audit Committee also received written disclosures from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent registered public accounting firm that firm's independence.

Based upon the Audit Committee's discussions with management and the independent registered public accounting firm, and the Audit Committee's review of the representations of management and the independent registered public accounting firm, the Audit Committee recommended that the Board include the audited consolidated financial statements in Associated's Annual Report on Form 10-K for the year ended December 31, 2007, to be filed with the Securities and Exchange Commission.

#### AUDIT COMMITTEE

Ronald R. Harder,  
Chairman

Karen T. Beckwith,  
Member

William R. Hutchinson,  
Member

Eileen A. Kamerick,  
Member

The foregoing Report of the Audit Committee shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or under the Exchange Act, except to the extent Associated specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

## FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of Associated's annual financial statements for 2006 and 2007, and fees billed for other services rendered by KPMG LLP.

	2006	2007
Audit Fees(1)	\$748,400	\$748,825
Audit-Related Fees(2)	188,400	185,000
Audit and Audit-Related Fees	936,800	933,825
Tax Fees	—	—
All Other Fees	—	—
Total Fees	<u>\$936,800</u>	<u>\$933,825</u>

(1) Audit fees include those necessary to perform the audit and quarterly reviews of Associated's consolidated financial statements. In addition, audit fees include audit or other attest services required by statute or regulation, such as comfort letters, consents, reviews of SEC filings, and reports on internal controls.

(2) Audit-related fees consist principally of fees for recurring and required financial statement audits of certain subsidiaries, employee benefit plans, and common trust funds.

The Audit Committee is responsible for reviewing and pre-approving any non-audit services to be performed by Associated's independent registered public accounting firm. The Audit Committee has delegated its pre-approval authority to the Chairman of the Audit Committee to act between meetings of the Audit Committee. Any pre-approval given by the Chairman of the Audit Committee pursuant to this delegation is presented to the full Audit Committee at its next regularly scheduled meeting. The Audit Committee or Chairman of the Audit Committee reviews and, if appropriate, approves non-audit service engagements, taking into account the proposed scope of the non-audit services, the proposed fees for the non-audit services, whether the non-audit services are permissible under applicable law or regulation, and the likely impact of the non-audit services on the independent registered public accounting firm's independence.

During 2007, each new engagement of Associated's independent registered public accounting firm to perform audit and non-audit services has been approved in advance by the Audit Committee or the Chairman of the Audit Committee pursuant to the foregoing procedures.

The Audit Committee of the Board of Associated considers that the provision of the services referenced above to Associated is compatible with maintaining independence by KPMG LLP.

## **PROPOSAL 2**

### **RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has selected, and the Board has approved, KPMG LLP to serve as Associated's independent registered public accounting firm for the year ending December 31, 2008. KPMG LLP audited Associated's consolidated financial statements for the year ended December 31, 2007. It is expected that a representative of KPMG LLP will be present at the Annual Meeting, will have the opportunity to make a statement if he or she so desires, and will be available to respond to appropriate questions.

If KPMG LLP declines to act or otherwise becomes incapable of acting, or if its appointment is otherwise discontinued, the Audit Committee will appoint another independent registered public accounting firm. If a majority of the votes cast is voted FOR this Proposal 2, it will pass. Unless otherwise directed, all proxies will be voted FOR Proposal 2. If the shareholders do not ratify the selection, the Audit Committee will take the shareholders' vote under advisement.

#### **Recommendation of the Board of Directors**

The Board recommends that shareholders vote FOR the selection of KPMG LLP as Associated's independent registered public accounting firm for the year ending December 31, 2008.

### **OTHER MATTERS THAT MAY COME BEFORE THE MEETING**

As of the date of this Proxy Statement, Associated is not aware of any matters to be presented for action at the meeting other than those described in this Proxy Statement. If any matters properly come before the Annual Meeting, the proxy form sent herewith, if executed and returned, gives the designated proxies discretionary authority with respect to such matters.



## SHAREHOLDER PROPOSALS

Proposals of a shareholder submitted pursuant to Rule 14a-8 of the Securities and Exchange Commission ("Rule 14a-8") for inclusion in the proxy statement for the annual meeting of shareholders to be held April 22, 2009, must be received by Associated at its executive offices not later than November 13, 2008. This notice of the annual meeting date also serves as the notice by Associated under the advance-notice Bylaw described below.

A shareholder that intends to present business other than pursuant to Rule 14a-8 at the next annual meeting, scheduled to be held on April 22, 2009, must comply with the requirements set forth in Associated's Bylaws. To bring business before an annual meeting, Associated's Bylaws require, among other things, that the shareholder submit written notice thereof to Associated's executive offices not less than 60 days or more than 75 days prior to the meeting. Therefore, Associated must receive notice of a shareholder proposal submitted other than pursuant to Rule 14a-8 no sooner than February 6, 2009, and no later than February 21, 2009. If notice is received before February 6, 2009, or after February 21, 2009, it will be considered untimely, and Associated will not be required to present such proposal at the April 22, 2009, Annual Meeting.

By Order of the Board of Directors,

A handwritten signature in black ink, reading "Brian R. Bodager", enclosed within a blue rectangular border.

Brian R. Bodager  
Executive Vice President  
Chief Administrative Officer  
General Counsel & Corporate Secretary  
Green Bay, Wisconsin  
March 11, 2008





1200 HANSEN ROAD  
ATTN: DWAYNE DAUBNER  
GREEN BAY, WI 54304

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. **If you vote by Internet, please do not mail your Proxy Card.**

**ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Associated Banc-Corp. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Associated Banc-Corp., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Note: If you vote over the Internet, you may incur costs such as telecommunication and Internet access charges for which you will be responsible.

**Your comments and questions are welcome**

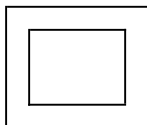
For your convenience, we are providing space on the reverse side of this proxy card for any questions or comments you may have that you wish to have addressed either personally or at the Annual Meeting. We always appreciate your input and interest in Associated. You may e-mail comments or concerns to [shareholders@associatedbank.com](mailto:shareholders@associatedbank.com).

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: ABANC1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.



**ASSOCIATED BANC-CORP.**

**The Board of Directors Recommends a Vote FOR  
Proposals 1 and 2.**

**Vote on Directors**

**1. ELECTION OF DIRECTORS**

**Nominees:**

- |                           |                        |
|---------------------------|------------------------|
| 01) Paul S. Beideman      | 06) Richard T. Lommen  |
| 02) Ruth M. Crowley       | 07) John C. Meng       |
| 03) Robert C. Gallagher   | 08) Carlos E. Santiago |
| 04) William R. Hutchinson | 09) John C. Seramur    |
| 05) Eileen A. Kamerick    |                        |

**For All**   **Withhold All**   **For All Except**

☐   ☐   ☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

\_\_\_\_\_

**Vote on Proposal**

**For      Against      Abstain**

2. To ratify the selection of KPMG LLP as the independent registered public accounting firm for Associated for the year ending December 31, 2008.

☐   ☐   ☐

Such other matters as may properly come before the meeting and all adjournments thereof.

Receipt of Notice of said meeting and of the Proxy Statement and Annual Report of Associated is hereby acknowledged. Please sign exactly as name appears hereon and date. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR EACH PROPOSAL.**

For address changes and/or comments, please check this box and write them on the back where indicated.

☐

\_\_\_\_\_  
Signature [PLEASE SIGN WITHIN BOX]      Date

\_\_\_\_\_  
Signature (Joint Owners)      Date





## 2008 Annual Meeting of Shareholders

You are cordially invited to attend the Annual Meeting of Shareholders of Associated Banc-Corp to be held at the Milwaukee Art Museum, 700 North Art Museum Drive, Milwaukee, Wisconsin, at 11:00 a.m. (CDT) on Wednesday, April 23, 2008.

Beginning at 10:00 a.m.(CDT), we will again present an economic/investment update. Associated's Wealth Management professionals will provide an update on the equity market and interest rate environment as they affect us as investors. If you plan to attend the Annual Meeting and/or the economic/investment update, please mark the appropriate box(es) on the proxy card. A continental breakfast is planned for 9:00 a.m. (CDT).

***Whether or not you plan to attend the annual meeting of shareholders, it is important that all shares be represented. Please vote and sign the proxy card printed on the reverse side. Tear at the perforation and mail the proxy card in the enclosed postage-paid envelope at your earliest convenience or vote via the Internet.***

We look forward to seeing you on April 23.

**THANK YOU FOR VOTING. ALL VOTES ARE IMPORTANT!**

Do Not Return This Proxy Card if you are voting via the Internet.

### **ASSOCIATED BANC-CORP**

**1200 Hansen Road, Green Bay, WI 54304**

**This Revocable Proxy Is Solicited On Behalf Of**

**The Board Of Directors Of Associated Banc Corp**

**For The Annual Meeting Of Shareholders To Be Held On April 23, 2008**

The undersigned hereby appoints, Lisa B. Binder, Brian R. Bodager, and Joseph B. Selner and each of them, as Proxies, each with the power to appoint his/her substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side, all the shares of Common Stock of Associated Banc-Corp ("Associated") held of record by the undersigned on February 15, 2008, at the Annual Meeting of Shareholders to be held on April 23, 2008, or any adjournment thereof on the matters and in the manner indicated on the reverse side of this proxy card and described in the Proxy Statement of Associated. This proxy revokes all prior proxies given by the undersigned. **If no direction is made, this proxy will be voted FOR Proposals 1 and 2.** If other matters come before the meeting, this proxy will be voted in accordance with the best judgment of the proxies appointed.

**The Board of Directors recommends a vote FOR the election of Directors and FOR Proposal 2.**

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 23, 2008. The proxy statement and annual report are available online at [www.proxydocs.com/ASBC](http://www.proxydocs.com/ASBC)**

**Address Changes/Comments:** \_\_\_\_\_

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**ALL VOTES ARE IMPORTANT! PLEASE MARK, SIGN, AND DATE THIS PROXY ON THE REVERSE SIDE AND RETURN IT PROMPTLY IN THE ACCOMPANYING POSTAGE- PAID ENVELOPE OR VOTE VIA THE INTERNET.**