FIRST BUSEY CORP /NV/
Form DEF 14A
April 17, 2008

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

First Busey Corporation
(Name of Registrant as Specified In Its Charter)

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

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x	No fee required.	
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
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First Busey Corporation

201 W. Main Street, Urbana, Illinois 61801

217/365-4516

NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 20, 2008

To the Stockholders of

First Busey Corporation:

The 2008 Annual Meeting of Stockholders of First Busey Corporation, a Nevada corporation, will be held at the Champaign Country Club, 1211 S. Prospect Ave., Champaign, Illinois, on Tuesday, May 20, 2008, at 12:00 p.m., central time.

The Annual Meeting is being held for the following purposes:

1. To elect ten directors to hold office until the 2009 Annual Meeting or until their successors are elected and qualified.

2. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

Only stockholders of record at the close of business on March 31, 2008, are entitled to notice of, and to vote at, the Annual Meeting or any postponement or adjournment thereof. Even if you plan to attend the Annual Meeting in person, please sign, date and return your proxy.

By order of the Board of Directors,

Douglas C. Mills Chairman of the Board	Van A. Dukeman President and Chief Executive Officer

Urbana, Illinois

April 17, 2008

Please note that there is no return envelope for the proxy card and that you should follow the mailing instructions set forth on the enclosed proxy card.

First Busey Corporation

201 W. Main, Urbana, Illinois 61801

217/365-4556

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Busey Corporation for use at the 2008 Annual Meeting of Stockholders. The Board has fixed the close of business on March 31, 2008, as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting. On the record date, First Busey had 35,957,922 shares of common stock, par value $.001 per share, outstanding and entitled to vote.

First Busey s Annual Report on Form 10-K, which includes audited financial statements for the year ended December 31, 2007, accompanies this Proxy Statement. The approximate date on which the Proxy Statement and the accompanying proxy are first being sent to stockholders is April 17, 2008.

The following information regarding the meeting and the voting process is presented in a question and answer format.

Why am I receiving this proxy statement and proxy card?

You are receiving a proxy statement and proxy card from us because on March 31, 2008, you owned shares of First Busey s common stock. This proxy statement describes the matters that will be presented for consideration by the stockholders at the Annual Meeting. It also gives you information concerning the matters to assist you in making an informed decision.

When you sign the enclosed proxy card, you appoint the proxy holder as your representative at the meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy card in advance of the meeting just in case your plans change.

If you have signed and returned the proxy card and an issue comes up for a vote at the meeting that is not identified on the form, the proxy holder will vote your shares, pursuant to your proxy, in accordance with his or her judgment.

What matters will be voted on at the meeting?

You are being asked to vote on the election of ten directors of First Busey for a term of one year expiring in 2009 or until their successors have been duly elected and qualified.

If I am the record holder of my shares, how do I vote?

You may vote either by mail or in person at the meeting. To vote by mail, complete and sign the enclosed proxy card and mail it pursuant to the instructions on the proxy card. If you mark your proxy card to indicate how you want your shares voted, your shares will be voted as you instruct.

If you sign and return your proxy card but do not mark the form to provide voting instructions, the shares represented by your proxy card will be voted for all nominees for director named in this Proxy Statement and by the appointed proxies in accordance with his or her judgment on any other matter brought before the meeting.

If you want to vote in person, please come to the meeting. We will distribute written ballots to anyone who wants to vote at the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy card in advance of the meeting just in case your plans change. Please note, that if your shares are held in the name of your broker (or in what is usually referred to as street name), you will need to arrange to obtain a legal proxy from your broker in order to vote in person at the meeting.

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

If you received this proxy statement from your broker or a trustee or other fiduciary who may hold your shares, your broker or fiduciary should have given you instructions for directing how they should vote your shares. It will then be their responsibility to vote your shares for you in the manner you direct. As discussed above, if you want to vote in person at the meeting, you will need to arrange to obtain a legal proxy from your broker or fiduciary in order to vote in person at the meeting.

Under Nasdaq rules, brokers and other fiduciaries may generally vote on routine matters, such as the election of directors, but cannot vote on non-routine matters, such as an amendment to our Certificate of Incorporation or the adoption or amendment of an equity incentive plan, unless they have received voting instructions from the person for whom they are holding shares. You should do this by carefully following the instructions your broker gives you concerning their procedures.

What does it mean if I receive more than one proxy card?

It means that you have multiple holdings reflected in our stock transfer records and/or in accounts with stockbrokers. Please sign and return ALL proxy cards to ensure that all your shares are voted.

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

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

- signing another proxy with a later date and returning that proxy to:

First Busey Corporation
Attn: Mary E. Lakey
201 W. Main Street
Urbana, Illinois 61801;

- sending notice to us that you are revoking your proxy; or
- voting in person at the meeting (attendance at the Annual Meeting will not in and of itself constitute the revocation of a proxy).

If you hold your shares in the name of a broker or fiduciary and desire to revoke your proxy, you will need to contact your broker to revoke your proxy.

How many votes do we need to hold the annual meeting?

A majority of the shares that are outstanding and entitled to vote as of the record date must be present in person or by proxy at the meeting in order to hold the meeting and conduct business.

Shares are counted as present at the meeting if the stockholder either:

- is present in person at the meeting; or
- has properly submitted a signed proxy card or other proxy.

On March 31, 2008, the record date, there were 35,957,922 shares of common stock issued and outstanding. Therefore, at least 17,978,962 shares need to be present at the annual meeting.

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

The Board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for a substitute nominee. You cannot vote for more than ten nominees. The Board has no reason to believe any nominee will be unable to stand for re-election.

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

You may vote for or withhold authority to vote for each nominee for director. You may vote for, against or abstain on any other proposal tha may properly be brought before the meeting. Abstentions will be considered in determining the presence of a quorum but will not affect the vote required for election of directors.

How many votes may I cast?

Generally, you are entitled to cast one vote for each share of stock you owned on the record date. The proxy card included with this proxy statement indicates the number of shares owned by an account attributable to you.

How many votes are needed for each proposal?

The directors are elected by a plurality vote and the ten individuals receiving the highest number of votes cast for their election will be elected as directors of First Busey. Broker non-votes will not be counted as entitled to vote, but will count for purposes of determining whether or not a quorum is present on the matter. Therefore, a broker non-vote has no effect on the election of directors.

Where do I find the voting results of the meeting?

We will announce voting results at the meeting. The voting results will also be disclosed in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.

Who bears the cost of soliciting proxies?

We will bear the cost of soliciting proxies. In addition to solicitations by mail, officers, directors or employees of First Busey or its subsidiaries may solicit proxies in person or by telephone. These persons will not receive any special or additional compensation for soliciting proxies. We may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

ELECTION OF DIRECTORS

The ten nominees named below have been nominated by the Nominating and Corporate Governance Committee of the Board for election as directors for a term of one year or until their successors have been duly elected and qualified.

It is intended that the proxies received in response to this solicitation will be voted for the election of the ten persons so nominated, unless otherwise specified. If, for any reason, any nominee becomes unavailable for election or declines to serve, persons named in the proxy may exercise discretionary authority to vote for a substitute proposed by the Board. No circumstances are presently known which would render a nominee named herein unavailable.

Set forth below is certain biographical information concerning each nominee for director, including principal occupation and age as of March 31, 2008, the record date for the Annual Meeting. Unless otherwise noted, nominees for director have been employed in their principal occupation with the same organization for at least the last five years.

The Board of Directors recommends a vote **FOR** each of the nominees.

NOMINEES

Name (Age)	**Director since(1)**	**Position with First Busey and Principal Occupation for the last five years**
Joseph M. Ambrose (Age 50)	1993	Mr. Ambrose is Vice President of Horizon Hobby, Inc., Champaign, Illinois, and has been since December 2005. Previously, Mr. Ambrose was a partner with Costigan & Wollrab, P.C., Bloomington, Illinois, from April 2004 until December 1, 2005. Mr. Ambrose was with Ambrose Law Offices, Ltd. from June 2003 until April 2004. Mr. Ambrose served as Executive Vice President of AFNI, Inc., Bloomington, Illinois from January 1999 until June 2003. Mr. Ambrose is considered independent under the rules of Nasdaq.
David J. Downey (Age 66)	1992	Mr. Downey has served as the President of The Downey Group, Inc., an estate planning, wealth transfer and executive compensation organization, since 1963. Mr. Downey is considered independent under the rules of Nasdaq.
Van A. Dukeman (Age 49)	1994	Mr. Dukeman is the President and Chief Executive Officer of First Busey, as well as the Chairman of Busey Bank. Mr. Dukeman served as the President and Chief Executive Officer of Main Street Trust, Inc. from 2004 to 2007 and as the Chairman of the Board and Chief Executive Officer of BankIllinois, and Director of The First National Bank and FirsTech from 2001 to 2004.

Name (Age)	**Director since(1)**	**Position with First Busey and Principal Occupation for the last five years**
David L. Ikenberry (Age 47)	2004	Mr. Ikenberry is a Professor of Finance and Department Chair at the University of Illinois-Urbana and has been since June 2002. Previously, Mr. Ikenberry was an Associate Professor at Rice University, Houston, Texas, from 1996 to 2002. Mr. Ikenberry is considered independent under the rules of Nasdaq.
E. Phillips Knox (Age 61)	1980	Mr. Knox is an attorney with the firm Tummelson Bryan & Knox, Urbana, Illinois.
V. B. Leister, Jr. (Age 62)	1996	Mr. Leister is Chairman of the Board of Carter s Furniture Inc., Urbana, Illinois. Previously, Mr. Leister served as Vice President & Treasurer of Carter s Furniture. Mr. Leister is considered independent under the rules of Nasdaq.
Gregory B. Lykins (Age 60)	1994	Mr. Lykins is the Vice Chairman of First Busey. Mr. Lykins served as the Chairman of the Board of Main Street Trust, Inc. from 2004 to July 2007; as a Director and Vice-Chairman of BankIllinois and Director of The First National Bank of Decatur and FirsTech from 2001 to 2004; and as a Director and Vice Chairman of the Board of Main Street from 2000 to 2001.
August C. Meyer, Jr. (Age 70)	1962	Mr. Meyer has served as the President of Midwest Television, Inc. since 1976. Mr. Meyer is considered independent under the rules of Nasdaq.
Douglas C. Mills (Age 68)	1980	Mr. Mills is the Chairman of First Busey and has been since its incorporation. Mr. Mills served as the Chairman of the Board, President and Chief Executive Officer of First Busey until July 31, 2007, when he resigned as President and Chief Executive Officer. He has been associated with Busey Bank since 1971.
George T. Shapland (Age 77)	1994	Mr. Shapland is the President of Shapland Management Co., a real estate management company. Mr. Shapland is considered independent under the rules of Nasdaq.

(1) Indicates the year first elected to the Board of Directors of First Busey or Main Street, or Main Street s predecessors, BankIllinois Financial and First Decatur.

BOARD OF DIRECTORS

Currently, there are ten directors serving on our Board of Directors. Through July 31, 2007, First Busey had seven directors serving on its Board of Directors. However, in connection with the merger of First Busey and Main Street, First Busey agreed to expand the size of the Board to include 10 seats. Additionally, First Busey agreed to appoint Messrs. Downey, Dukeman, Lykins, Meyer and Shapland to the Board effective upon the completion of the merger. Also in connection with the merger, effective July 31, 2007, Messrs. Joseph E. O Brien and Arthur R. Wyatt, former directors of First Busey, retired from the Board. Except as described above, there are no arrangements or understandings between any of the directors or any other person pursuant to which any of First Busey s directors or the nominees for the Board have been selected for their respective positions. We have agreed to nominate each of Messrs. Lykins and Mills pursuant to agreements entered into with them in connection with the Main Street merger.

Generally, the Board oversees our business and monitors the performance of our management. In accordance with our corporate governance procedures, the Board does not involve itself in the day-to-day operations of First Busey, which is monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the full Board, which are held on a monthly basis, special meetings held from time to time and through committee membership, which is discussed below. Our directors also discuss business and other matters with our key executives and our principal external advisers (legal counsel, auditors and other consultants).

A majority of our directors are considered independent as defined by Nasdaq. Generally, the Board undertakes an annual review of director independence. This process consists of an oral question and answer session at a board meeting at which all directors hear the responses of each director and have an opportunity to evaluate the facts presented. This independence review is further supplemented by an annual questionnaire that directors are required to complete that contains a number of questions related to independence and related party transactions, among others.

Because of Mr. Knox s law firm provides legal services for First Busey and related entities, he is not considered independent under the rules established by Nasdaq. Additionally, because of their current or past positions as executive officers of First Busey, Messrs. Dukeman, Lykins and Mills are not independent.

During 2007, the Board held 10 meetings. All directors attended at least 75% of the meetings of the Board and the committees on which they served during 2007. Our independent directors met 3 times in executive session in 2007, and we expect that they will meet at least two times in executive session in 2008. We require all our directors to attend the Annual Meeting and we expect all our directors will attend the 2008 Annual Meeting.

Any stockholder who wishes to contact the full Board may do so by contacting the Board (1) in writing, in care of First Busey Corporation, 201 W. Main Street, Urbana, Illinois 61801 or (2) electronically, through the hyperlink available at our website at www.busey.com. Communications to the full Board should be directed to Mr. Mills, while communications to the independent directors should be directed to Mr. Leister.

The Board has established the following committees, among others, to assist in the discharge of its responsibilities.

Executive Management Compensation and Succession Committee

The Executive Management Compensation and Succession Committee of the Board met nine times in 2007. Members of the Executive Management Compensation and Succession Committee for the first seven months of 2007 were Messrs. Ambrose (Chairman), Leister and Arthur R. Wyatt (Mr. Wyatt retired from the Board in connection with the closing of the merger of equals transaction with Main Street.) Following the completion of the merger on July 31, 2007, the Executive Management Compensation and Succession Committee included Messrs. Ambrose (Chairman), Downey and Meyer. Mr. Ikenberry served on this committee beginning November 2007. We expect that each current member of the Executive Management Compensation and Succession Committee will serve through 2008. The responsibilities of the Executive Management and Succession Committee include the approval, and recommendation to the Board, of the compensation of our Chief Executive Officer and executive officers. The Executive Management Compensation and Succession Committee also reviews and analyzes existing and potential management succession issues. All members are independent under Nasdaq rules and are non-employee directors for purposes of Section 16 of the Securities Exchange Act of 1934. The Executive Management and Succession Committee Charter is available at our website at www.busey.com.

Nominating and Corporate Governance Committee

The Nominating & Corporate Governance Committee of the Board met two times in 2007. During the first seven months of 2007, the Nominating and Corporate Governance Committee members were Messrs. Wyatt (Chairman), Leister and Joseph O Brien (Mr. O Brien retired from the Board in connection with the closing of the merger). Following the completion of the merger with Main Street on July 31, 2007, the Nominating and Corporate Governance Committee members included Messrs. Downey (Chairman), Ambrose and Shapland, each of whom is expected to serve through 2008. The responsibilities of the Nominating and Corporate Governance Committee include the nomination of individuals as members of the Board, including the review of qualifications of directors to stand for re-election and the implementation and maintenance of our corporate governance procedures. All members are independent under Nasdaq rules. The Nominating and Corporate Governance Committee Charter is available at our website at www.busey.com.

The Nominating and Corporate Governance Committee reviews qualified candidates for directors and focuses on those who present varied, complementary backgrounds that emphasize both business experience and community standing. The Nominating and Corporate Governance Committee also believes that directors should possess the highest personal and professional ethics.

In March of 2008, the Nominating and Corporate Governance Committee met and reviewed all relevant qualifications of potential director nominees, including, at a minimum, the following:

- independence from management;
- relevant business experience;

- knowledge of the communities in which we predominantly operate;
- potential conflicts of interest; and
- judgment, skill, integrity and reputation.

The Nominating and Corporate Governance Committee reviews the qualifications of each potential candidate for director and identifies nominees by consensus.

The Nominating and Corporate Governance Committee evaluates all candidates in the same way, reviewing the aforementioned factors, among others, regardless of the source of such candidate, including stockholder recommendation. Because of this, there is no separate policy with regard to consideration of candidates recommended by stockholders. The Nominating and Corporate Governance Committee did not receive any stockholder recommendations for director nominees for 2008. No third party was retained, in any capacity, to provide assistance in either identifying or evaluating potential director nominees for 2008.

Audit Committee

The Audit Committee met 10 times in 2007. Prior to the completion of the Main Street merger, the members of the Audit Committee included Messrs. Leister (Chairman), Ikenberry, and Wyatt, with Mr. Wyatt designated as our audit committee financial expert in 2006 and 2007 until the merger. Following the completion of the Main Street merger on July 31, 2007, the members of the Audit Committee include Messrs. Leister (Chairman), Downey, Ikenberry and Shapland, each of whom is expected to serve through 2008. We have identified Mr. Ikenberry as the audit committee financial expert based on his level of education and work experience, as described earlier in this Proxy Statement. All members are independent under Nasdaq rules and under Rule 10A-3 of the Exchange Act, as required for audit committee membership. The Audit Committee Charter is available at our website at www.busey.com.

The responsibilities and functions of the Audit Committee and its activities during 2007 are described in detail under the heading Report of the Audit Committee in this Proxy Statement.

The Audit Committee has adopted procedures for the treatment of complaints or concerns regarding accounting, internal accounting controls or auditing matters. In addition, the Audit Committee reviews and approves all related party transactions, except for those lending relationships and transactions that are approved by the appropriate subsidiary banks procedures. The Audit Committee has also implemented pre-approval policies and procedures for all audit and non-audit services. Generally, the Audit Committee requires pre-approval of any services to be provided by First Busey s auditors, McGladrey & Pullen, LLP and First Busey s tax accountants, RSM McGladrey, Inc., to First Busey or any of its affiliates. Additionally, the Audit Committee also pre-approves other services related to Sarbanes-Oxley compliance, tax and accounting provided by other third parties. The pre-approval procedures include the designation of such pre-approval responsibility to one individual on the Audit Committee, which is Mr. Leister.

In 2007, the Audit Committee pre-approved all audit services which consisted of professional services rendered for the audit of our consolidated financial statements, attestation report on internal control over financial reporting in accordance with Sarbanes-Oxley Section 404, review of financial statements included in our quarterly reports on Form 10-Q and services normally provided by the independent auditor in connection with statutory and regulatory filings. Also pre-approved were audit-related services in connection with the merger and agreed upon procedures for the trust department. Pre-approved tax services were related to the preparation of original and amended tax returns, claims for refunds and tax payment-planning services for tax compliance, tax planning and tax advice. There were no other pre-approved other services.

Fees paid to McGladrey & Pullen, LLP and RSM McGladrey, Inc. for services rendered in 2007 and 2006 were as follows:

	2007	% of Total Fees	2006	% of Total Fees
Fees:				
Audit	$ 405,125	90.9%	$ 316,624	88.3%
Audit-related	16,045	3.6%	12,900	3.6%
Tax	24,650	5.5%	28,935	8.1%
All other				
Total	$ 445,820		$ 358,459	

A representative of McGladrey & Pullen, LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions. The Audit Committee has not yet selected a firm to serve as our independent auditor for the fiscal year ending December 31, 2008. We expect to appoint McGladrey & Pullen, LLP as our independent registered public accounting firm for 2008 upon review and approval of engagement letter by the Audit Committee.

Director Compensation

During 2007, non-employee directors who served on the Board for the full year received a cash retainer of $7,500, a 4,500 share stock option and an additional cash payment of $10,000, except for Mr. Leister, who served as Chairman of the Audit Committee, and received a cash retainer of $10,000, a 4,500 share stock option and an additional cash payment of $10,000. These extra $10,000 payments were to compensate the Directors for additional time associated with completion of the merger with Main Street. Messrs. O Brien and Wyatt, who retired from the board effective upon the completion of the Main Street merger received $4,375 in cash compensation and a 4,500 share stock option. Messrs. Downey, Meyer, and Shapland, who joined the Board following the Main Street merger, received a cash retainer of $1,875 and an additional cash payment of $10,000. Directors who are also employees of First Busey or any of its subsidiaries, including Messrs. Dukeman, Lykins and Mills, do not receive additional compensation for serving on the Board.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($) (3)	All Other Compensation ($)	Total ($)
Joseph M. Ambrose	17,500	10,800		28,300
David J. Downey	11,875			11,875
David L. Ikenberry	17,500	10,800		28,300
Phillips E. Knox	17,500	10,800		28,300
V. B. Leister Jr.	20,000	10,800		30,800
Gregory B. Lykins			900,000(4)	900,000
August C. Meyer, Jr.	11,875			11,875
Joseph E. O Brien (2)	4,375	10,800		15,175
George T. Shapland	11,875			11,875
Arthur R. Wyatt (2)	4,375	10,800		15,175

(1) Mr. Mills compensation is described in the Summary Compensation Table because he served as our Chief Executive Officer until July 31, 2007.

(2) Messrs. O Brien and Wyatt retired from the Board effective upon the completion of the Main Street merger.

(3) Option amounts represent compensation expense recognized in 2007 under FAS No. 123R. The grant date fair value of options awards in 2008 was equal to $64,800. At December 31, 2007, Directors held the following stock options, all of which were fully vested.

Joseph M. Ambrose	18,000
David J. Downey	60,082
David L. Ikenberry	18,000
Phillips E. Knox	18,000
V. B. Leister Jr.	13,500
Gregory B. Lykins	55,432
August C. Meyer, Jr.	60,082
Joseph E. O Brien (2)	18,000
George T. Shapland	60,082
Arthur R. Wyatt (2)	18,000

(4) Pursuant to an agreement between Mr. Lykins and Main Street, Mr. Lykins received a payment of $900,000 in connection with his resignation as Chairman of the Board of Main Street following the merger.

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The Executive Management and Succession Committee approved the 2008 compensation plan for non-employee directors in December 2007. For 2008, non-employee directors will receive a cash retainer of $20,000, payable in quarterly payments of $5,000. Mr. Leister, who serves as Chairman of the Audit Committee, and Mr. Ikenberry, whom we have identified as the audit committee financial expert, will receive a cash retainer of $25,000, payable in quarterly payments of $6,250. Mr. Mills, who serves as Chairman of the Board, will receive $30,000, payable in quarterly payments of $7,500. Mr. Lykins, who serves as Vice-Chairman of the Board will receive $20,000, payable in quarterly payments of $5,000. In addition to their board compensation, Messrs. Mills and Lykins are entitled to receive salary payments of $50,000 pursuant to their agreements with First Busey.

REPORT OF THE AUDIT COMMITTEE

In accordance with its written charter adopted by the Board, the Audit Committee is responsible for the oversight of the quality and integrity of our accounting, auditing and financial reporting practices; the oversight of our internal and external auditors; the resolution of disagreements between management and the auditors regarding financial reporting; and the determination of the independence of the external auditors. During 2007, the Audit Committee met 10 times and also reviewed and discussed the interim financial information contained in each quarterly earnings announcement with management and the independent auditors prior to public release.

In discharging its oversight responsibility as to the audit process for the fiscal year ending December 31, 2007, the Audit Committee obtained from the independent auditor a formal written statement describing all relationships between the independent auditor and First Busey that might bear on auditor s independence consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, discussed with the independent auditor any relationships that may impact its objectivity and independence and satisfied itself as to the auditor s independence. The Audit Committee also discussed with management, the internal auditors and the independent auditor the quality and adequacy of First Busey s internal controls and internal audit function s organization, responsibilities, budget and staffing. The Audit Committee reviewed with both the independent and internal auditors their audit plans, scope, and identification of audit risk areas.

The Audit Committee discussed and reviewed with the independent auditor all communications required by auditing standards, generally accepted in the United States of America including those described in Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees, and discussed and reviewed the results of the independent auditor s examination of the consolidated financial statements. The Audit Committee also discussed the results of the internal audit examinations.

The Audit Committee reviewed the consolidated audited financial statements of First Busey as of and for the year ended December 31, 2007, with management and the independent auditor. Management has the responsibility for the preparation of First Busey s consolidated financial statements and the independent auditor has the responsibility for the audit of those statements.

Based upon the above-mentioned review and discussions with management and the independent auditors, the members of the Audit Committee recommended to the Board that First Busey s audited consolidated financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2007, for filing with the Securities and Exchange Commission.

Audit Committee

V. B. Leister, Jr. (Chairman)

David J. Downey

David L. Ikenberry

George T. Shapland

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 31, 2008 by all directors and director nominees, by each person who is known by us to be the beneficial owner of more than 5% of our outstanding common stock, by each named executive officer and by all directors and executive officers as a group.

The number of shares beneficially owned by each director, director nominee, 5% stockholder or executive officer is determined under rules of the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of March 31, 2008 through the exercise of any option or other right. Unless otherwise indicated, each person has sole investment and voting power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table. In certain instances, the number of shares listed includes, in addition to shares owned directly, shares held by the spouse or minor children of the person, or by a trust of which the person is a trustee or in which the person may have a beneficial interest. In some cases, the person has disclaimed beneficial interest in certain of these shares.

	Common Stock Beneficially Owned	
Name and Address of Beneficial Owner	**Number of Shares Owned(1)**	**Percent of Outstanding Shares**
Board of Directors:		
Joseph M. Ambrose	78,574	*
David J. Downey	443,352	1.2%
Van A. Dukeman(2)	262,374	*
David L. Ikenberry	21,000	*
E. Phillips Knox(3)	370,819	1.0%
V. B. Leister, Jr.	67,120	*
Gregory B. Lykins(4)	1,370,300	3.8%
August C. Meyer(5)	256,278	*
Douglas C. Mills(6)	4,684,038	13.0%
George T. Shapland	599,615	1.7%
Current Other Named Executive Officers:(7)		
Thomas M. Good	57,366	*
Barbara J. Harrington	60,356	*
David D. Mills(7)	434,788	1.2%
Lee H. O Neill(8)	171,348	*
David B. White	41,980	*
All directors and current executive officers as a group (17 persons)	8,914,257	24.4%

Beneficial Owners of more than 5% of our outstanding common stock:		
Elisabeth M. Kimmel 7677 Engineer Road San Diego, CA 92111	2,171,708	6.0%

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* Less than one percent.

(1) Includes shares that can be acquired through stock options available for exercise within 60 days of March 31, 2008, for the following individuals, in the amount indicated:

Joseph M. Ambrose	18,000
David J. Downey	60,082
Van A. Dukeman	67,057
Thomas M. Good	11,000
Barbara J. Harrington	29,000
David L. Ikenberry	18,000
E. Phillips Knox	18,000
V. B. Leister, Jr.	13,500
Gregory B. Lykins	55,432
August C. Meyer	60,082
David D. Mills	27,000
Douglas C. Mills	100,000
Lee H. O Neill	16,500
George T. Shapland	60,082
David B. White	37,909
All directors and officers as a group	603,644

(2) Includes 4,442 shares owned by Mr. Dukeman s spouse over which Mr. Dukeman shares voting and investment power.

(3) Includes 47,500 shares owned by Mr. Knox s spouse and 34,563 shares of stock owned by Busey Mills Community Foundation.

(4) Includes 844,750 shares held in the August C. Meyer Special Trust, for which Mr. Lykins serves as trustee and has sole voting and investment power. Also includes 6,718 shares owned by Mr. Lykins spouse.

(5) Excludes shares held by Elisabeth M. Kimmel, Mr. Meyer s adult daughter. Also excludes 844,750 shares held by the August C. Meyer Special Trust, over which Mr. Meyer has no voting or investment power.

(6) Includes 582,785 shares held in trusts for which Mr. Mills is a co-trustee and shares voting and investment power and in which Mr. Mills has no pecuniary interest. Also includes 34,563 shares of common stock owned by Busey Mills Community Foundation for which Mr. Mills shares voting and investment power, and 40,000 shares of common stock owned by the Mills Family Foundation and 1,555,000 shares of common stock owned by Mills Investment LP for which Mr. Mills has sole voting and investment power.

(7) Includes 34,563 shares of stock owned by Busey Mills Community Foundation for which Mr. Mills shares voting and investment power. Also includes 67,400 shares held in trusts for which Mr. Mills is a co-trustee and shares voting and investment power and 11,721 shares held in trusts over which Mr. Mill s spouse has voting and investment power.

(8) Includes 9,000 shares of stock owned by Mr. O Neill s spouse.

SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock. Except as described below, we believe that during 2007, our executive officers, directors and 10% stockholders timely filed all reports required to be filed under Section 16(a). Messrs. Knox and Douglas C. Mills failed to timely file a Form 4 with respect to shares issued to them in respect of shares they held in Main Street Trust, Inc. in connection with the Main Street merger. Forms 4 were filed with respect to such shares in December 2007. Mr. O Neill failed to timely file a Form 4 with respect to a stock option award in September 2007. He filed a Form 4 with respect to the award in September 2007. Mr. Downey failed to timely file a Form 4 with respect to shares purchased in November 2007. He filed a Form 4 with respect to the purchase in February 2008. In making the foregoing statements, we have relied solely upon the written representations of its directors, executive officers and 10% stockholders and reports filed with the Securities and Exchange Commission.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This section provides information regarding our compensation philosophies and decision-making processes and the compensation and benefit programs in place for our current and former Chief Executive Officer, our Chief Financial Officer and our four other most highly compensated executive officers (collectively, the Named Executive Officers) for 2007. It includes information regarding the overall objectives of our compensation program and each element of compensation that we provide.

Role of the Executive Management Compensation and Succession Committee

The Executive Management Compensation and Succession Committee of our Board of Directors (the Compensation Committee) is responsible for guiding and overseeing the formulation and application of the compensation and benefit programs for our Named Executive Officers, including reviewing and approving compensation levels, evaluating the performance of the Named Executive Officers and considering senior management succession issues. The Compensation Committee acts pursuant to a charter that has been approved by our Board of Directors. The Compensation Committee is composed of non-management, independent members of the Board of Directors and none of the Named Executive Officers are members of the Compensation Committee.

Compensation Philosophy and Objectives

We are committed to providing a total compensation program that supports our long-term business strategy and performance culture and creates a commonality of interest with our stockholders. We believe that the most effective compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals by First Busey, and that aligns executives interests with those of our stockholders by rewarding performance above established goals, with the ultimate objective of improving stockholder value.

The Compensation Committee has worked with our management to design compensation programs that encourage high performance, promote accountability and assure that employee interests are aligned with the interests of our stockholders. Additionally, the Compensation Committee evaluates both performance and compensation to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of our compensation peers. The primary objectives of our executive compensation policies are:

- to provide market-based compensation to attract, retain, and motivate highly qualified executives;

- to reward executives based upon our financial performance at levels competitive with peer companies;

- to provide incentives for executive officers to work toward achieving successful annual results and strategic objectives;

- to create opportunity and incentive for our executive officers to be long-term stockholders;

- to align executive compensation to increases in stockholder value, as measured by favorable long-term results and continued strengthening of First Busey s financial condition; and

- to provide flexibility to recognize, differentiate and reward individual performance.

We compensate our executives through a mix of base salary, annual cash incentive awards, equity compensation and other benefits and perquisites designed to reward performance and to be competitive with our compensation peers and to align management s incentives with the long-term interests of our stockholders.

Because we believe that our executives compensation should be tied to the success of First Busey and increases in stockholder value, a significant percentage of total compensation is allocated to incentive compensation. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the Compensation Committee reviews information such as that referenced above with respect to our compensation peers to determine the appropriate level and mix of incentive compensation.

Compensation Process

As described above, the Compensation Committee is responsible for overseeing our executive compensation program. Each year the Chief Executive Officer presents to the Compensation Committee the performance results for the previous year for it to consider in determining the appropriate aggregate and individual compensation levels for the performance year. In conducting its review, the Compensation Committee considers quantitative performance results, achievement of individual qualitative goals, the overall need of the organization to attract, retain and motivate the executive team, and the total cost of compensation programs. The Compensation Committee also reviews tally sheets that detail the executives total target and actual compensation for the year. The use of tally sheets allows the Compensation Committee to have a complete understanding of the executives compensation and is valuable in the assessment of past and current compensation and how it relates to each executive s duties and responsibilities.

Generally, base salaries and annual cash incentive awards are reviewed at the end of each year. Any changes made to the base salaries are normally effective January 1 of the following year. In 2007, however, because of the Main Street merger, compensation decisions and related changes were made in October 2007. These decisions affected salaries for the remainder of 2007 and all of 2008 and also included annual cash incentive awards for 2007, which were paid in 2008.

Equity awards, generally consisting of stock options, are usually granted in the spring of each year, at the regularly scheduled meetings of the Compensation Committee and the full Board of Directors held in connection with our Annual Meeting of Stockholders. By establishing the meeting schedule and agenda for these grants well in advance, we diminish the opportunity for manipulation of exercise prices on option grants to the extent any recipients are in possession of non-public information at the time of the meetings. Approval of grants for any newly-hired or promoted executives during the course of the year generally occurs at the Compensation Committee meeting immediately following the hiring or promotion.

Peer Comparison. In making compensation decisions, the Compensation Committee establishes benchmarks for base salary, annual cash incentive compensation and stock options. Other forms of compensation are reviewed on a periodic basis.

The Compensation Committee utilized an external consultant, Frederic W. Cook & Co, Inc., to assist in the establishment of benchmarks and collection of external market data on a market reference group. Our compensation peers consist of 20 similar publicly-traded financial companies, based on asset size, that provide banking and related services in a similar market area as First Busey. Our compensation peers are as follows:

1ST Source Corp
Amcore Financial
Anchor Bancorp
BankAtlantic Bancorp
Bank Mutual Corp
Capital City Bank Group
First Merchants Corp
First Midwest Bancorp
Great Southern Bancorp
Heartland Financial USA
Integra Bank Corp
Irwin Financial Corp

Mainsource Financial Group
MB Financial
Midwest Banc Holdings
Old National Bancorp
Old Second Bancorp
PrivateBancorp
Taylor Capital Group
UMB Financial Corp

The Compensation Committee does not utilize any stated weighting of external market data with which to benchmark compensation levels of Named Executive Officers. Instead, the Compensation Committee evaluates the market data prepared by Frederic W. Cook & Co., Inc., along with the other factors listed in this discussion to determine the appropriate compensation levels of each of the Named Executive Officers.

Role of Executive Officers in Compensation Decisions. The Compensation Committee is ultimately responsible for all compensation decisions affecting the Named Executive Officers. Our Chief Executive Officer annually reviews the performance of each other Named Executive Officer. This review is generally based on the executives individual performance and contribution toward our performance during the year. Based on these reviews, the Chief Executive Officer makes specific recommendations to the Compensation Committee regarding adjustments to the base salary and annual cash incentive award amounts. The Compensation Committee takes the reviews and recommendations under advisement and exercises its discretion in modifying any recommended adjustments or awards to executives. The Chief Executive Officer does not participate in or make recommendations with respect to his own compensation.

Components of Total Compensation

The Compensation Committee believes executive compensation packages provided by First Busey to its executives, including the Named Executive Officers, should include both cash and equity compensation that reward performance as measured against established corporate and personal goals. By dividing compensation between cash and non-cash, or equity, compensation, the Compensation Committee hopes to incentivize to executives by rewarding them for performance that results in both short-term and long-term improvements in stockholder value. For 2007, the principal components of compensation for Named Executive Officers were:

- base salary,
- annual cash incentive compensation
- stock options, and
- benefits and other perquisites.

Each component is designed to achieve a specific purpose and to contribute to a total package that is competitive with similar packages provided by our compensation peers, appropriately performance-based, and valued by First Busey s executives.

Base Salaries. We provide our Named Executive Officers and other employees with base salary to compensate them for services rendered during the year. During its review of base salaries for executives, including in the context of negotiating contractual terms with individuals, the Compensation Committee primarily considers:

- individual scope of responsibility,
- years of experience,

- market data, such as that obtained from a review of our compensation peers,

- internal review of the executive s compensation, both individually and relative to other officers, and
- individual performance of the executive.

Salary levels are typically considered annually as part of First Busey s performance review process as well as upon a promotion or other change in job responsibility.

Cash Incentive Compensation. All our employees are eligible to participate in our Bonus Program, under which they can receive cash incentive compensation, normally in the form of a year-end bonus payment. Year-end bonus awards are cash-based awards, which are based on achievement of earnings-per-share, or other corporate performance goals and achievement of individual goals, that are intended to award achievement of short-term company-wide goals that lead to increases in stockholder value.

Participants in the Bonus Program receive awards based on the achievement by First Busey of specified diluted earnings per share targets or other corporate goals. The earnings-per-share target for 2007 was $1.40 per share. Each year, typically during the first half of the year, the Compensation Committee and Board set a bonus pool that is the aggregate amount eligible to be paid out to all employees in cash incentive awards. The bonus pool is determined based upon comparison with cash incentive payments of the compensation peer group, contractual requirements, and financial performance targets. The amount of an individual s potential incentive award is generally based on participants position. Because we believe it is important that a significant portion of our Named Executive Officers compensation be tied to increases in stockholder value, a large percentage of their compensation is tied to cash incentive payments. The corporate earnings-per-share target and bonus pool are generally set in January of each year by the Compensation Committee, with the approval of the full Board. The Compensation Committee has not yet finalized the bonus pool for 2008.

The Board retains the discretion to adjust any awards determined by the formula to ensure that the final awards made to particular participants are consistent with those made to other executives and to make adjustments to the financial performance objectives for extraordinary events. Individual performance is considered in determining final awards for all Bonus Program participants.

Equity Incentive Compensation. We award stock options as a means to help retain key employees and reward them for long-term appreciation in the market value of our common stock.

We currently maintain four equity incentive plans; the First Busey Corporation 1993 Restricted Stock Award Plan, the First Busey Corporation 1999 Stock Option Plan, the Main Street Trust, Inc. 2000 Stock Incentive Plan, and the First Busey Corporation 2004 Stock Option Plan. Each of our equity incentive plans are designed to encourage ownership of our common stock by our employees and directors, to provide additional incentive for them to promote the success of our business, and to attract and retain talented personnel. All of our employees and directors and those of our subsidiaries are eligible to receive options under the plans.

Each of our equity plans is administered by the Compensation Committee. Grants are generally at the discretion of the Board, generally subsequent to the annual stockholders meeting. We believe it is important to make awards at the same time each year to ensure that the timing of awards does not affect their value. We did not make regular annual grants in 2007, however, due to the pending merger with Main Street. However, we did grant Mr. O Neill stock options in September of 2007 relating to his appointment as the President and Chief Executive Officer of Busey Bank, as described more fully below.

Equity awards are generally based on recommendations of the Compensation Committee and approved by the full Board. When making award decisions, the Compensation Committee considers the nature of the services rendered or to be rendered by the employee, and the employee s present and potential contributions to the success of First Busey. The exercise price of any option must be equal to at least 100% of the fair market value of the closing price of our common stock on the date of the grant and option awards may not be exercisable for more than ten years from the date of grant. Generally, past awards vested over a three to five year period. We believe such a vesting schedule provides for an appropriate level of incentive for the executives to perform over a several-year period, helping to align the interests of the executives with those of our stockholders.

During 2007, unvested options outstanding at the time of the Main Street merger became fully vested upon the close of the merger. The Compensation Committee provided for this acceleration so our options were treated similarly to the outstanding Main Street options, which automatically accelerated vesting upon completion of the merger by their own terms, because the Compensation Committee felt it would best serve the interests of the combined company to have all employees treated similarly. We anticipate that future option awards will be subject to a similar multi-year vesting schedule as past awards.

We do not currently have a formal policy regarding equity or other security ownership requirements for our Named Executive Officers.

Benefits and Other Perquisites. The Named Executive Officers are eligible to participate in the same benefit plans designed for all of our full-time employees, including health, dental, disability and basic group life insurance coverage. We provide retirement benefits to all eligible full-time employees under the First Busey Corporation Profit Sharing and 401(k) Plan. The Profit Sharing and 401(k) Plan provides employees the opportunity to save for retirement on a tax-favored basis. Named Executive Officers, all of whom were eligible during 2007, may elect to participate in the 401(k) Plan on the same basis as all other employees. Each of our eligible employees participates in the profit sharing element of the 401(k) Plan.

We maintain an Employee Stock Ownership Plan (the ESOP) that is available to all eligible full-time employees in accordance with terms required under the Internal Revenue Code. Named Executive Officers, with the exception of Messrs. Dukeman and White, were eligible and participated during 2007 in the ESOP under the same terms as all other eligible employees. Under the terms of the ESOP, which reflect applicable requirements of the Internal Revenue Code, unrestricted ESOP shares are allocated to eligible employees annually based upon their salary for the year, as it compares to total salaries for all eligible employees.

All the Named Executive Officers, except Messrs. Dukeman and White, are provided with a death benefit under the Busey Bank Group Term Carve-Out Plan II, otherwise known as First Busey s Bank Owned Life Insurance (the BOLI Program). The BOLI Program covers participants during their employment period at First Busey and following their retirement from First Busey if the employee has met certain service period and age requirements. The BOLI Program consists of one or more split-dollar life insurance policies for each participant, which cover each participant in the event of his or her death at a multiple of the participant s most recent salary plus incentive bonus compensation. Named Executive Officers are provided a death benefit through the BOLI Program at the lesser of: (i) three times their highest salary, (ii) $750,000, or (iii) the Net Amount of Insurance, as defined by the BOLI Program. We provide BOLI to certain of our employees to reward past performance, motivate future performance and to provide an incentive for these employees to remain with First Busey.

Messrs. Dukeman and White are provided with death benefits under portable term life insurance policies. The premiums on the term life insurance policies are paid by us on behalf of Mr. Dukeman and Mr. White, so long as they remain employed by First Busey

Mr. Douglas C. Mills is covered by a separate addendum to the BOLI Program. Mr. Mills is entitled to receive a death benefit of the lesser of: (i) three times his highest salary, (ii) $612,500, or (iii) the Net Amount of Insurance, as defined by the BOLI Program.

Mr. Douglas C. Mills was covered by life insurance policies for which, prior to 2006, we paid premiums in the amounts of $1,326,890. During 2007, Mr. Mills purchased our interest in the life insurance policies for the amount of premiums paid, or $1,326,890. We have released our claim on these life insurance policies.

Perquisites. We provide our Named Executive Officers with certain perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior employees for key positions. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to Named Executive Officers. Based upon this periodic review, perquisites are awarded or adjusted on an individual basis. Named Executive Officers are not automatically awarded all, or in equal amounts, perquisites. The perquisites for Named Executive Officers for 2007 included:

- annual contributions to the University of Illinois I Fund in the name of the Named Executive Officer,
- allowance for annual country club dues, and
- allowance for or use of a company-owned automobile.

The University of Illinois Urbana Champaign is located in our primary market and is an important local institution. We believe that supporting the University is an important part of our participation in the local community and that our support of the University will continue to benefit First Busey in the future. We encourage our senior management to belong to a country club so that they have an appropriate entertainment forum for customers and appropriate interaction with their communities. Automobiles, or an allowance, are provided for certain executives as deemed necessary in order to assist the executive in their ongoing service to our customers and communities.

Deferred Compensation Plan. We adopted the First Busey Corporation Deferred Compensation Plan for Executives in October 2002. It was frozen in 2006 and terminated in 2007. The First Busey Corporation Deferred Compensation Plan was designed to assist in retaining and attracting executives at certain levels by providing a plan to assist executives in retirement planning. Under the terms of the plan, certain executives were allowed to defer a portion or their entire incentive bonus award. We matched up to $50,000 of deferred amounts under First Busey Corporation Deferred Compensation Plan. Interest accrued on each participant s deferred compensation balance for the year at a rate defined by the greater of the 5-year Treasury note rate as published in the Wall Street Journal for the last business day of the previous calendar year, or 5.00%. Since the plan was frozen in 2006, plan participants were prohibited from making deferrals into the plan subsequent to any 2005 incentive bonus deferrals. Each participant s account accrued interest at an annual rate of 5.00% in 2007 through the date of the termination and payout of the plan. Upon termination of the First Busey Corporation Deferred Compensation Plan in July 2007, participants received full payouts of their plan balances. The plan had no liabilities or participants at December 31, 2007.

In conjunction with the Main Street merger, we assumed the former Main Street Trust, Inc. s Executive Deferred Compensation Plan and associated liabilities. The arrangement provides a means for the participants to voluntarily defer a portion of their salary or bonus. This plan is an unfunded, nonqualified deferred compensation arrangement. Of the Named Executive Officers, only Messrs. Dukeman and White were participants in the plan at December 31, 2007. The remaining Named Executive Officers became eligible to participate in the plan in January 2008.

Change in Control Benefits. Each of Messrs. Dukeman, Good, David Mills, O Neill and White and Ms. Harrington is a party to an agreement that provides for certain payments and benefits if their employment is terminated following a change in control. In each instance, if the Named Executive Officer s employment is terminated by us or the Named Executive Officer within one year of a change in control of First Busey, the Named Executive Officer is entitled to receive certain cash payments and other benefits. The purpose of these payments and benefits is to attract and retain talented executives and to encourage them to pursue transactions that maximize stockholder value, even though their own employment may not be secure following such transaction. Additionally, we believe these agreements help provide for stability in our executive team in the event of a change in control. Additionally, each of the Named Executive Officers is also entitled to a tax gross-up, which provides generally that, if he or she receives payments or benefits in connection with a change in control of First Busey, to the extent such payments or benefits constitute excess parachute payments under Section 280G of the Internal Revenue Code, he or she generally will be paid an additional amount that will offset, on an after-tax basis, the effect of any excise tax consequently imposed on him or her under Section 4999 of the Internal Revenue Code.

Impact of Accounting and Tax Issues on Executive Compensation.

In setting individual executive s compensation levels, we consider a variety of accounting and tax issues. Section 162(m) of the Internal Revenue Code limits the deductibility of annual compensation in excess of $1.0 million paid to the Chief Executive Officer and our next three highest paid officers (but excluding, in all cases, the Chief Financial Officer), to the extent they are listed officers on the last day of any given tax year. However, compensation is exempt from this limit if it qualifies as performance-based compensation. Performance-based compensation generally includes only payments that are contingent on achievement of performance objectives, and excludes fixed or guaranteed payments. Although we will consider deductibility under Section 162(m) with respect to the compensation arrangements for executive officers, deductibility will not be the sole factor used in determining appropriate levels or methods of compensation. Since our objectives may not always be consistent with the requirements for full deductibility, we may enter into compensation arrangements under which payments would not be deductible under Section 162(m).

We are required to amortize the fair value of equity awards as required under SFAS No. 123R, Share-Based Payments. Under this accounting bulletin, which became effective for us on January 1, 2006, we apply the Black-Scholes valuation model to determine the fair value of equity awards on the date of grant, which is then amortized on a straight-line basis over the requisite service period. The Compensation Committee considered the amortization of expenses in granting equity awards.

2007 Compensation Determinations

The principal components of compensation for 2007 for the Named Executive Officers were base salaries, annual cash incentives, equity incentives, benefits and perquisites. The purpose, design, and determination of amounts of 2007 compensation are described below:

Base Salaries. The Compensation Committee normally considers annual cash incentive awards and potential salary increases at the end of each year. However, for 2007, the Compensation Committee determined not to make any increases to salaries for Messrs. Good, Douglas Mills, David Mills, O Neill and Ms. Harrington due to the pending Main Street merger. Specifically, the merger agreement between us and Main Street provided that the parties would not make material changes to their respective compensation policies until the successful completion of the transaction or the termination of the merger agreement.

Each of Messrs. Good, David Mills, O Neill and Ms. Harrington have entered into employment agreements with us, pursuant to which they separately negotiated new base salaries for their new positions at the combined company. Each of these employment agreements was approved by the Compensation Committee and became effective upon completion of the Main Street merger.

On October 1, 2007, the Compensation Committee set the annual base salary for 2007 and continuing for 2008 for each of the Named Executive Officers as follows:

OFFICER		2007/2008 BASE SALARY COMPENSATION
Van A. Dukeman	$	400,000
Thomas M. Good	$	175,000
Barbara J. Harrington	$	200,000
David D. Mills	$	225,000
Lee H. O Neill	$	300,000
David B. White	$	180,000

Annual Cash Incentive Compensation. Incentive compensation levels for Named Executive Officers were set during the third quarter of 2007 following the merger with Main Street. These incentives were based on profitability of First Busey and successful merger and integration of Main Street Bank & Trust with Busey Bank.

Our earnings did not meet budgeted projections due primarily to merger-related expenses and higher-than-expected credit costs. Despite the lower earnings, the Compensation Committee recognized the additional efforts associated with the Main Street merger. Under its discretionary authority the Compensation Committee approved cash bonus payments of approximately 40 to 50% of amounts set during the third quarter as discussed above to the Named Executive Officers, with the exception of Mr. Dukeman. At his request, the Compensation Committee did not recommend an incentive bonus for Mr. Dukeman for 2007. These discretionary payments are categorized as bonus payments in the Summary Compensation Table below. Awards under the bonus program for 2007 were approved by the Compensation Committee and ratified by the full Board on February 1, 2008, as follows:

OFFICER		2007 BONUS PROGRAM AWARD
Van A. Dukeman	$	0
Douglas C. Mills(1)	$	0
Thomas M. Good	$	25,000
Barbara J. Harrington	$	35,000
David D. Mills	$	35,000
Lee H. O Neill	$	42,500
David B. White	$	35,000

(1) Following completion of the Main Street merger, Douglas Mills resigned as President and Chief Executive Officer of First Busey and did not receive a bonus payment for 2007.

Equity Incentive Compensation. Because of the pending merger with Main Street, we did not make annual option grants to executive officers in April 2007. On September 18, 2007, the Compensation Committee awarded 20,000 stock options to Mr. O Neill in connection with his promotion to President of Busey Bank.

Executive Management Compensation and Succession Committee Report

The Compensation Discussion and Analysis has been prepared by management of the Company. The Company is responsible for the Compensation Discussion and Analysis and for the disclosure controls relating to executive compensation. The Compensation Discussion and Analysis is not a report or disclosure of the Compensation Committee.

The Compensation Committee met with management of the Company to review and discuss the Compensation Discussion and Analysis. Based on the foregoing review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement, and the Board approved that recommendation.

Executive Management and Compensation Committee:
Joseph M. Ambrose
David J. Downey
E. Phillips Knox
August C. Meyer, Jr.

Executive Management Compensation and Succession Committee Interlocks and Insider Participation

During 2007, the following individuals served as members of the Compensation Committee: Joseph M. Ambrose, V.B. Leister, Jr., Arthur R. Wyatt, David J. Downey, E. Phillips Knox and August C. Meyer, Jr. None of these individuals has ever served as an officer or employee of the Company or any of our subsidiaries or has any relationships with the Company or any of our subsidiaries requiring disclosure under Certain Relationships and Related Transactions below. The Compensation Committee members have no interlocking relationships requiring disclosure under the rules of the Securities and Exchange Commission.

Compensation Tables for Named Executive Officers

The following tables quantify and discuss the components of the Named Executive Officers. All tables should be read in conjunction with the Compensation Discussion and Analysis section above. The Summary Compensation Table should be read in conjunction with the footnotes and narrative that follow.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($) (4)	Non-Equity Incentive Plan Compensation($) (5)	Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(8)	Total Compensation ($)
Van A. Dukeman(1) *Chief Executive Officer*	2007	146,667				1,054	37,473	185,194
Douglas C. Mills (2) *Former Chief Executive Officer*	2007	181,250		50,586		2,182	1,019,573	1,253,591
	2006	225,000	100,000	42,040			185,349	552,389
Thomas M. Good(3) *Chief Executive Officer of Busey Bank, N.A.*	2007	160,000	110,000	12,473			28,699	311,172
Barbara J. Harrington *Chief Financial Officer*	2007	170,000	35,000	15,447			23,322	243,769
	2006	145,000		10,016	22,325		31,221	208,562
David D. Mills *Executive Vice President*	2007	195,000	35,000	27,939			45,825	303,764
	2006	170,000		19,810	51,875		73,785	315,470
Lee H. O Neill *Chief Executive Officer of Busey Bank*	2007	240,000	42,500	17,729			31,135	331,364
	2006	186,360		11,827	31,000		49,886	279,073
David B. White(7) *Chief Operating Officer*	2007	70,833	35,000			823	20,581	127,237

(1) Mr. Dukeman was named the President and Chief Executive Officer effective August 1, 2007 in conjunction with completion of the Main Street merger; reported amounts represent earnings since August 1, 2007.

(2) Mr. Douglas C. Mills resigned as the President and Chief Executive Officer effective July 31, 2007 in connection with the completion of the Main Street merger.

(3) Mr. Good was named the Chief Executive Officer of Busey Bank, N.A. effective September 1, 2007. Mr. Good remains the Executive Vice President, Risk Management of First Busey. In conjunction with Mr. Good s appointment as Chief Executive Officer of Busey Bank, N.A.

he received an $85,000 bonus.

(4) Option amounts represent approximate compensation expense recognized in 2006 and 2007 under FAS No. 123R and include amounts associated with accelerated vesting of outstanding options upon completion of the Main Street merger. See note 16 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007 for a discussion of the assumptions used in calculating stock option expense.

(5) Amounts represent incentive compensation earned in 2007, paid in February 2008. See discussion under Annual Cash Incentive Compensation in the Compensation Discussion and Analysis section of this Proxy Statement.

(6) Represents above-market interest on deferred compensation. Interest on the Main Street Trust, Inc. s Executive Deferred Compensation Plan is determined according to the plan document and is 125% of the declared interest rate on Security Life Corp. III policies for the current calendar month as determined by Security Life of Denver (or successor thereto). If that rate is no longer published or no longer deemed appropriate by the Compensation Committee, it may select a substantially similar rate. Interest on the First Busey Deferred Compensation Plan accrued at a rate of 5.00% per annum.

(7) Mr. White was named Chief Operating Officer effective August 1, 2007, in conjunction with completion of the Main Street merger; reported amounts represent earnings since August 1, 2007.

(8) The following table describes each component of the All Other Compensation column for 2006 and 2007:

Name and Principal Position	**Year**	**U of I Contrib-ution ($) (a),**	**Auto Allow-ance ($)**	**Life Insura -nce ($) (b),**	**Country Club Dues ($)**	**Profit Sharing, 401(k) and Deferred Compensa -tion Match ($)**	**ESOP Alloca -tion ($)(c)**	**Severance Benefit ($)**	**Contributi-on to Deferred Compensa -tion Plan ($)**	**Total ($)**
Van A. Dukeman	2007	10,000	3,625	1,770	2,538	12,375			7,165	37,473
Douglas C. Mills	2007	10,000	8,050	2,107	9,660	19,125	71	975,000(d)		1,024,013
	2006	10,000	10,250	62,600	9,660	12,373	30,466		50,000	185,349
Thomas M. Good	2007	1,000	4,533	1,474	2,500	19,125	67			28,699
Barbara J. Harrington	2007		3,000	925	2,500	16,837	60			23,322
	2006			223		8,953	22,045			31,221
David D. Mills	2007	10,000	11,231	178	5,220	19,125	71			45,825
	2006	10,000	15,567	159	5,220	12,373	30,466			73,785
Lee H. O Neill	2007	1,000	3,625	2,094	5,220	19,125	71			31,135
	2006	1,000	1,600	1,083	5,220	11,837	29,146			49,886
David B. White	2007		3,046	1,527	2,539	10,653			2,816	20,581

(a) Represents annual contributions to the University of Illinois I Fund in the name of Messrs. Dukeman, Douglas Mills, Good, David Mills and O Neill.

(b) Represents value of insurance provided on portable term policies provided to Messrs. Dukeman and White; represents value of insurance provided under Company s BOLI plan for Messrs. Douglas Mills, Good, David Mills, O Neill, and Ms. Harrington.

(c) Value of shares allocated during 2007 valued at year-end closing price of $19.86; value of shares allocated during 2006 valued at year-end closing price of $23.25.

(d) Represents amounts paid to Mr. Mills in connection with his resignation as President and Chief Executive Officer following the Main Street merger pursuant to an agreement between Mr. Mills and First Busey.

Grants of Plan-Based Awards Table

First Busey traditionally grants stock options to employees and Directors in April, as described in the Compensation Discussion and Analysis. Due to the pending merger with Main Street, First Busey did not award options to Named Executive Officers in 2007, with the exception of Mr. O Neill. First Busey awarded grants to employees in May 2006, after further study of the impact of FAS No. 123R (See Note 1 Significant Accounting Policies or First Busey s Consolidated Financial Statements).

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	All Other Option Awards: # of Securities Underlying Options (2)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards $((3)
Van A. Dukeman			200,000				
Douglas C. Mills	January 24, 2007						
Thomas M. Good	October 1, 2007		50,000				
Barbara J. Harrington	October 1, 2007		75,000				
David D. Mills	October 1, 2007		75,000				
Lee H. O Neill	October 1, 2007		100,000				
	Sept. 18, 2007				20,000	$ 21.90	$ 43,600
David B. White			75,000				

(1) Represents potential payouts under First Busey s 2007 bonus program. Incentive awards scheduled above were not paid because we did not meet our minimum earnings-per-share targets set in October 2007. Although the minimum target was not reached in 2007, the Compensation Committee concluded that it was appropriate to recognize substantially all employees of First Busey, including Named Executive Officers, for efforts associated with the Main Street merger. See the discussion under the caption Annual Cash Incentive Compensation in the Compensation Discussion and Analysis section of this Proxy Statement. **The discretionary bonuses, which were approved by the Compensation Committee, were paid on February 1, 2008 and are reflected in the Bonus column of the Summary Compensation Table on page 26.** Following are amounts of discretionary bonuses paid to Named Executive Officers:

Officer	2007 Bonus Program Award
Van A. Dukeman	$ 0
Douglas C. Mills	$ 0
Thomas M. Good	$ 25,000
Barbara J. Harrington	$ 35,000
David D. Mills	$ 35,000
Lee H. O Neill	$ 42,500
David B. White	$ 35,000

(2) Options awarded on September 18, 2007, fully vest on September 21, 2010, with no partial vesting prior to full vesting date, and expire on December 15, 2015.

(3) Based upon the Black-Scholes option pricing model the fair value of options awarded on September 18, 2007 is $2.18, discussed further at Note 16 of First Busey s Consolidated Financial Statements.

Outstanding Equity Awards at Fiscal Year End Table

	Option Awards (1)			
Name	**# of Securities Underlying Unexercised Options - Exercisable**	**# of Securities Underlying Unexercised Options - Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
Van A. Dukeman	8,544		$ 11.85	4/12/2010
	8,138		$ 11.29	3/20/2011
	7,750		$ 12.00	3/19/2012
	7,750		$ 16.00	3/18/2013
	11,625		$ 19.74	2/17/2014
	11,625		$ 19.09	2/15/2015
	11,625		$ 19.41	2/21/2016
Douglas C. Mills	45,000		$ 14.56	12/16/2010
	40,000		$ 19.59	09/14/2009
	15,000		$ 20.16	12/15/2011
Barbara J. Harrington	15,000		$ 14.56	12/16/2010
	8,000		$ 19.59	09/14/2009
	6,000		$ 20.16	12/15/2011
Thomas M. Good	6,000			09/14/2009
			$ 19.59	
	5,000		$ 20.16	12/15/2011
David D. Mills	17,000			09/14/2009
			$ 19.59	
	10,000		$ 20.16	12/15/2011
Lee H. O Neill	9,500		19.59	09/14/2009
	7,000		$ 20.16	12/15/2011
			$	
		20,000(2)	$ 21.90	12/15/2015
David B. White	5,126			4/12/2010
	4,883			3/20/2011
			11.85	
	4,650			3/19/2012
			11.29	
	4,650			3/18/2013
			$	
			$ 12.00	
	6,200			2/17/2014
			$	
			$ 16.00	
	6,200		$ 19.74	2/15/2015
			$ 19.09	
	6,200		$ 19.41	2/21/2016

(1)

As permitted under the terms of the Merger Agreement with Main Street, First Busey accelerated the vesting of all outstanding options immediately upon merger with Main Street on July 31, 2007.

(2) Mr. O Neill s stock options awarded in September 2007 fully vest on September 21, 2010, with no partial vesting prior to full vesting date.

Options Exercises and Stock Vested Table

The following sets forth information regarding exercises of stock options by Named Executive Officers during 2007.

	Option Awards	
Name	# of Shares Acquired on Exercise	Value Realized Upon Exercise ($)
Van A. Dukeman		
Douglas C. Mills		
Thomas M. Good		
Barbara J. Harrington		
David D. Mills	15,000	$ 74,100
Lee H. O Neill		
David B. White		

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)(2)	Aggregate Balance at Last FYE ($)
Van A. Dukeman	17,769(1)	7,165	12,713	522,109
Douglas C. Mills			32,094	
Thomas M. Good				
Barbara J. Harrington				
David D. Mills				
Lee H. O Neill				
David B. White	9,629(1)	2,816	9,919	402,449

(1) Amounts reflect contributions of deferred salary and are included in the Salary column, respectively, in the Summary Compensation Table for Fiscal Year 2007.

(2) Includes $1,054 for Mr. Dukeman, $2,182 for Mr. Douglas Mills and $823 for Mr. White reflected as above market interest under the Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table.

The First Busey Nonqualified Deferred Compensation Plan and the Main Street Trust, Inc. Executive Deferred Compensation Plan were designed, in part, to assist our executives with retirement planning. Other than Mr. Douglas C. Mills, no current employees of First Busey were participants in the First Busey Nonqualified Deferred Compensation Plan. As noted above, the First Busey Nonqualified Deferred Compensation Plan was terminated in connection with the Main Street merger and all amounts under it were distributed to participants. Accrued account balances at the time of termination were paid out to participants resulting in payment to Mr. Mills in the amount of $1,193,743. In connection with the Main Street merger, we assumed the Main Street Trust, Inc. Executive Deferred Compensation Plan. Messrs. Dukeman and White participated in the Main Street Trust, Inc. Executive Deferred Compensation Plan. Under the terms of the Main Street Trust, Inc. Executive Deferred Compensation Plan, participants are entitled to defer up to 15% of their salary and bonus. As of December 31, 2007, deferred amounts accrue interest at a rate of 6.31% per annum.

The Aggregate Balance represents the amount due to the Named Executive Officers as of December 31, 2007.

Potential Payments Upon Termination or Change-in-Control Disclosure

Messrs. Dukeman, Good, David Mills, O Neill, White and Ms. Harrington are parties to agreements providing for certain benefits upon a termination and a change in control.

Under the employment agreements with Messrs. Dukeman, Good, Mills, O Neill, White and Ms. Harrington, each officer is entitled to receive certain severance payments following certain termination events, including a termination following a change in control. Under their agreements, severance includes the sum of the applicable officer s base salary, the officer s most recent performance bonus and the value of contributions under retirement and employee benefit plans that would have been made through the term of the agreement. They will also be entitled to receive life, health and disability insurance for themselves and their dependents, at the expense of First Busey, for one year following termination. Each of Messrs. Dukeman, Good, Mills, O Neill, White and Ms. Harrington is subject to a one year non-competition covenants following the termination of their respective employment agreements.

Mr. Dukeman s agreements states that if he is terminated without cause, if he terminates his employment due to constructive discharge, or if his employment is terminated due to disability or death, he or his named beneficiary will receive an amount equal to the sum of his annual base salary plus the amount of the most recent performance bonus and the value of contributions under retirement and employee benefit plans that would have been made through the term of the agreement. Additionally, under his employment agreement, Mr. Dukeman will be entitled to receive the greater of $900,000 or three times his severance payment, if (a) he terminates his employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates Mr. Dukeman s employment with or without cause or Mr. Dukeman is constructively discharged within the 18 months before or after a change of control. Mr. Dukeman will be entitled to receive a gross-up payment from First Busey in the event that any amounts payable to him under his employment agreement for the other payments and benefits received by him are subject to penalties as excess parachute payments under the Internal Revenue Code. Mr. Dukeman will also be entitled to receive life, health and disability insurance for the three years following the effective date of his termination.

Mr. Good s agreement provides that, in the event that he is terminated without cause or if he terminates due to constructive discharge, or due to disability or death, he or his beneficiary will receive a severance payment equal to the sum of his applicable annual base salary plus the amount of his most recent performance bonus and the value of contributions under retirement and employee benefit plans that would have been made through the term of the agreement. If (a) he terminates employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates the agreement with or without cause either within the 18 month period prior to or at any time after a change of control, Mr. Good will be entitled to receive an amount equal to two times the severance payment. Mr. Good will also be entitled to receive life, health and disability insurance for a period of three years following the effective date of termination.

Ms. Harrington s agreement provides that, in the event that Ms. Harrington is terminated without cause, or if she terminates due to constructive discharge, or due to her disability or death, she or her beneficiary will receive a severance payment equal to the sum of her applicable annual base salary plus the amount of her most recent performance bonus and the value of contributions under retirement and employee benefit plans that would have been made through the term of the agreement. She will be entitled to receive life, health and disability insurance for the one-year severance period. Under Ms. Harrington s employment agreement, she will be entitled to receive the greater of $300,000 or two times her severance payment, if (a) she terminates her employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates her employment with or without cause or she is constructively discharged within the 18 months before or after a change of control. The amounts payable to her upon a change of control are subject to reduction, to the extent that any amount payable to her under her employment agreement, together with other payments and benefits received by her, if any, would be deemed an excess parachute payment under the Internal Revenue Code. She will also be entitled to receive life, health and disability insurance for three years following the effective date of her termination.

Mr. David Mills agreement provides that, in the event he is terminated without cause, or if he terminates due to constructive discharge, or due to his disability or death, he or his beneficiary will receive a severance payment equal to the sum of his applicable annual base salary plus the amount of his most recent performance bonus and the value of contributions under retirement and employee benefit plans that would have been made through the term of the agreement. He will be entitled to receive life, health and disability insurance for one year following termination. Additionally, under his employment agreement, Mr. Mills will be entitled to receive the greater of $750,000 or three times his severance payment, if (a) he terminates his employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates his employment with or without cause or he is constructively discharged within the 18 months before or after a change of control. Mr. Mills would also be entitled to receive life, health, and disability insurance for three years following the effective date of his termination.

Mr. O Neill s agreement provides that, in the event he is terminated without cause, or if he terminates due to constructive discharge, or due to his disability or death, he or his beneficiary will receive a severance payment equal to the sum of his then applicable annual base salary plus an amount equal to his most recent performance bonus plus the amount contributed by us on his behalf to our tax-qualified retirement plans. He will be entitled to receive life, health and disability insurance for up to twelve months following his termination. Additionally, under his employment agreement, Mr. O Neill will be entitled to receive the greater of $750,000 or three times his severance payment, if (a) he terminates his employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates his employment with or without cause or he is constructively discharged within the 18 months before or after a change of control. He would also be entitled to receive life, health, and disability insurance for up to three years following the effective date of his termination. In the event of a change of control, options awarded to Mr. O Neill in September 2007 would become fully vested.

Mr. White s agreement provides that, in the event he is terminated without cause, or if he terminates due to constructive discharge, disability or death, he or his beneficiary will receive a severance payment equal to the sum of his then applicable annual base salary plus an amount equal to his most recent performance bonus plus the amount contributed by us on his behalf to our tax-qualified retirement plans. He will be entitled to receive life, health and disability insurance for up to 12 months following termination. Mr. White s agreement provides that if (a) he terminates employment within one year after a change of control for any reason, or (b) First Busey or its successor terminates the agreement with or without cause either within the 18-month period prior to or at any time after a change of control, Mr. White will be entitled to receive the greater of $350,000 or two times the severance payment. He would be entitled to receive life, health, and disability insurance for the two-year period following the effective date of termination. Mr. White s agreement also provides that if Mr. White should die during the 18-month period following the First Busey/Main Street merger, Mr. White s beneficiary would be entitled to receive the change of control payment. Mr. White would be entitled to receive the change of control payment if he elects to terminate his employment with First Busey for any reason during the eighteen month period beginning eighteen months after the First Busey/Main Street merger and ending 3 years after the merger.

The following table sets forth information concerning potential payments and benefits payable to Messrs. Dukeman, Good, Mills, O Neill, White and Ms. Harrington under our compensation programs and benefit plans assuming a termination of employment as of December 31, 2007.

Name		Cash Severance ($)	Bonus Payment ($)	Unvested Stock Option ($)(3)	Profit Sharing, 401(k) and Deferred Compensation Match($)	Welfare Benefit Values ($)(4)	Total ($)
Van A. Dukeman	(1)	400,000	120,000		19,125	14,502	553,627
	(2)	1,200,000	360,000		57,375	43,506	1,660,881
Thomas M. Good	(1)	175,000	25,000		19,125	10,500	229,625
	(2)	350,000	50,000		38,250	31,500	469,750
Barbara J. Harrington	(1)	200,000	35,000		19,125	9,396	263,521
	(2)	400,000	70,000		38,250	28,188	536,438
David D. Mills	(1)	225,000	35,000		19,125	12,910	292,035
	(2)	675,000	105,000		57,375	38,730	876,105
Lee H. O Neill	(1)	300,000	42,500		19,125	11,120	372,745
	(2)	900,000	127,500	37,500	57,375	33,360	1,155,735
David B. White	(1)	180,000	35,000		18,275	10,553	243,828
	(2)	360,000	70,000		36,550	21,106	487,656

(1) Amounts represent severance benefits as outlined in the preceding narrative, assuming a termination at December 31, 2007.

(2) Amounts represent change-in-control benefits as outlined in the preceding narrative, assuming a termination following a change in control at December 31, 2007.

(3) Option amounts represent approximate compensation expense that would be recognized at December 31, 2007 under FAS No. 123R should vesting of stock option awards accelerate. See note 16 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007 for a discussion of the assumptions used in calculating stock option expense.

(4) Welfare benefit values represent the estimated compensation to be received in the form of health, life and disability benefits under the respective scenarios as outlined in the preceding narrative.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In January 2007, the Board adopted a policy for review, approval and monitoring of transactions involving First Busey and related persons (directors and executive officers or their immediate family members, or stockholders owning five percent or greater of our outstanding stock). The policy covers any related person transaction that meets the minimum threshold for disclosure in the proxy statement under the relevant Securities and Exchange Commission rules (generally, transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect interest).

Under the policy, the Audit Committee is responsible for reviewing and approving all reportable transactions with any related party. In considering the transaction, the Audit Committee will take into account all relevant factors including whether the transaction is on terms comparable to those available to an unaffiliated third party. In connection with any approval or ratification of a transaction, the Audit Committee will also determine whether any such transaction impairs the independence of a director or presents a conflict of interest on the part of a director or executive officer. The Board has delegated to the chairman of the Audit Committee the authority to pre-approve or ratify any transaction with a related person up to $120,000. The policy also provides that transactions involving competitive bids, the rendering of services by a regulated entity, and certain ordinary course of business banking transactions shall be deemed to be pre-approved by the Audit Committee.

Additionally, First Busey s banking subsidiaries have, and may be expected to have in the future, banking transactions in the ordinary course of business with directors, director nominees, executive officers and holders of 5% or more of First Busey s common stock, their immediate families and their affiliated companies. These transactions have been and will be on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unaffiliated persons. These transactions have not involved and will not involve more than the normal risk of collectibility or any other unfavorable features. In addition to these loans, First Busey s banking subsidiaries make loans to officers of First Busey s subsidiaries who are not executive officers of First Busey.

During 2007, Mr. Knox, a director of First Busey, and an attorney with Tummelson Bryan & Knox, Urbana, Illinois, and provided legal and certain consulting services to First

Busey. We paid $22,310 in fees to Tummelson Bryan & Knox for such services during the 2007.

First Busey is also a party to a lease with Midwest Television, Inc., of which Mr. Meyer is the President, director and a controlling shareholder. Lease payments are approximately $86,000 annually. We believe that the terms of these leases are no less favorable to First Busey or its subsidiaries than would have been obtained from non-affiliated parties.

CODE OF ETHICS

We have adopted a code of ethics applicable to our employees, officers, and directors. The text of this code of ethics may be found under Investor Relations on our website. We intend to satisfy the disclosure requirements under Item 10 of Form 8-K regarding any amendment to or waiver of the code with respect to our Chief Executive Officer and Chief Financial Officer, and persons performing similar functions, by posting such information on our website.

OTHER BUSINESS

As of the date hereof, there is no business to be transacted at the Annual Meeting other than that referred to in the Notice of Annual Meeting of Stockholders and it is not anticipated that other matters will be brought before the Annual Meeting. If, however, other matters should properly be brought before the Annual Meeting, it is intended that the proxy holders may vote or act in accordance with our Board of Directors recommendation on such matters.

STOCKHOLDER PROPOSALS

In order for a stockholder nominee to be considered by the Nominating and Corporate Governance Committee to be its nominee and included in our 2009 proxy statement, the nominating stockholder must file a written notice of the proposed director nomination with our Corporate Secretary, at 201 W. Main Street, Urbana, Illinois 61801, no later than December 18, 2008. Nominations must include the full name and address of the proposed nominee and a brief description of the proposed nominee s business experience for at least the previous five years. All submissions must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. The Nominating and Corporate Governance Committee may request additional information in order to make a determination as to whether to nominate the person for director.

A stockholder may otherwise nominate a director for election at an annual meeting of stockholders by delivering written notice of the nomination to our Corporate Secretary, at the above address, no later than December 18, 2008. The stockholder s notice of intention to nominate a director must include: (a) for each person to be nominated: (i) the name, age and business and residence address of each nominee; (ii) the principal occupation or employment of each nominee; (iii) the class and number of shares of stock owned by the nominee on the date of

the notice; and (iv) any information that would be required to be disclosed on Schedule 13D pursuant to Regulation 13D under the Exchange Act, in connection with the acquisition of stock, and pursuant to Regulation 14A under the Exchange Act, in connection with the solicitation of proxies with respect to nominees for election as directors, regardless of whether the person is subject to the provisions of such regulations; and (b) as to the stockholder giving notice: (i) the name and address of record of the nominating stockholder and the names and addresses of any other stockholders supporting each respective nominee; and (ii) the class and number of shares of stock owned by the nominating stockholder and any other stockholders supporting the nominees on the date of the notice. We may request additional information after receiving the notification for the purpose of determining the proposed nominee s eligibility to serve as a director. Persons nominated for election to the Board pursuant to this paragraph will not be included in our proxy statement.

If a stockholder intends to present a proposal at First Busey s 2009 Annual Meeting and desires that the proposal be included in First Busey s Proxy Statement and form of proxy for that meeting, the proposal must be in compliance with Rule 14a-8 under the Exchange Act and received at First Busey s principal executive offices not later than December 18, 2008. As to any proposal that a stockholder intends to present to stockholders without inclusion in First Busey s Proxy Statement for First Busey s 2009 Annual Meeting of Stockholders, the proxies named in management s proxy for that meeting will be entitled to exercise their discretionary authority on that proposal unless First Busey receives notice of the matter to be proposed not later than March 3, 2009. Even if proper notice is received on or prior to March 3, 2009, the proxies named in management s proxy for that meeting may nevertheless exercise their discretionary authority with respect to such matter by advising stockholders of such proposal and how they intend to exercise their discretion to vote on such matter, unless the stockholder making the proposal solicits proxies with respect to the proposal to the extent required by Rule 14a-4(c)(2) under the Exchange Act.

By order of the Board of Directors,

Douglas C. Mills Chairman of the Board	Van A. Dukeman President and Chief Executive Officer

April 17, 2008

ALL STOCKHOLDERS ARE URGED TO SIGN AND MAIL THEIR PROXIES PROMPTLY

PROXY FIRST BUSEY CORPORATION

KNOW ALL MEN BY THESE PRESENTS, THAT I, the undersigned stockholder of First Busey Corporation (the Company), having received notice of the Annual Meeting of Stockholders, do hereby nominate, constitute and appoint, each of Tom Berns and Tom Brown, my true and lawful attorney and proxy, each with full power of substitution, for me and in my name, place and stead to vote all of the shares of common stock, $.001 par value (Common Stock) of the Company standing in my name on its books on March 31, 2008, at the Annual Meeting of Stockholders of the Company, to be held at the Champaign Country Club, 1211 S. Prospect Ave., Champaign, Illinois, on May 20, 2008 at 12:00 p.m.(noon), local time, and at any postponement or adjournment thereof, with all powers the undersigned would possess if personally present, as follows:

1. o FOR all nominees listed below to serve as directors of the Company until the next Annual Meeting of Stockholders (except as marked to the contrary below)

o WITHHOLD AUTHORITY to vote for all nominees listed below

Joseph M. Ambrose
David L. Ikenberry
Gregory B. Lykins
George T. Shapland
David J. Downey
E. Phillips Knox
August C. Meyer, Jr.
Van A. Dukeman
V. B. Leister, Jr.
Douglas C. Mills

(INSTRUCTION: To withhold authority to vote for any individual nominee, strike a line through that nominee s name.)

2. In accordance with their discretion upon all other matters as may properly come before the Annual Meeting or any postponement or adjournment thereof.

This proxy will be voted as directed, or if no instructions are given, it will be voted FOR election of all nominees as Directors of First Busey Corporation. This proxy is solicited on behalf of the Board of Directors and may be revoked prior to its exercise. Your vote is important. Accordingly, even if you plan to attend the Annual Meeting, please mark, sign, date and fold this proxy and return to the reply address. Any previously submitted proxies will not be used at the Annual Meeting.

Date

Date

Please sign your name or names exactly as they appear on the stock certificate. Each joint tenant must sign. When signing as attorney, administrator, guardian, executor or trustee or as an officer of a corporation, please give full title. If more than one trustee, all should sign.

If you plan on attending the luncheon meeting, please indicate below and return with your proxy ballot. If you have any questions, contact Mary Lakey at 217-365-4556 or e-mail her at mary.lakey@busey.com.

o Yes, number attending