

ENTERPRISE BANCORP INC /MA/
Form PRE 14A
March 13, 2007

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

SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Enterprise Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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| (2) | Aggregate number of securities to which transaction applies: |
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(3) Filing Party:

(4) Date Filed:

ENTERPRISE BANCORP, INC.

222 MERRIMACK STREET
LOWELL, MASSACHUSETTS 01852
TELEPHONE: (978) 459-9000

March 26, 2007

Dear Stockholder:

You are cordially invited to attend the 2007 Annual Meeting of stockholders (the Annual Meeting) of Enterprise Bancorp, Inc. (the Company), the parent holding company of Enterprise Bank and Trust Company, to be held on Tuesday, May 1, 2007, at 4:00 p.m. local time, at the Boston University Conference Center, 72 Tyng Road, Tyngsboro, Massachusetts.

The Annual Meeting has been called for the following purposes:

1. To elect five Directors of the Company, each for a three-year term;
2. To amend the Company's Restated Articles of Organization to increase the number of shares of common stock that the Company is authorized to issue from 10,000,000 shares to 20,000,000 shares;
3. To ratify the Audit Committee's appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007; and
4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The accompanying Proxy Statement of the Company provides information concerning the matters to be voted on at the Annual Meeting. Also enclosed is the Company's 2006 annual report to stockholders, which contains additional information and results for the year ended December 31, 2006, including the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, you are requested to complete, date, sign and return the enclosed proxy card in the enclosed postage paid envelope or, if you prefer, you may deliver your proxy electronically by following the instructions included with your proxy card.

Thank you in advance for returning your proxy. We appreciate your continuing support of the Company.

Sincerely,

George L. Duncan
Chairman of the Board

ENTERPRISE BANCORP, INC.

222 MERRIMACK STREET
LOWELL, MASSACHUSETTS 01852
TELEPHONE: (978) 459-9000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 4:00 p.m. on Tuesday, May 1, 2007

NOTICE IS HEREBY GIVEN that the Annual Meeting of stockholders (the Annual Meeting) of Enterprise Bancorp, Inc. (the Company) will be held at the Boston University Conference Center, 72 Tyng Road, Tyngsboro, Massachusetts at 4:00 p.m. local time on Tuesday, May 1, 2007 for the following purposes:

1. To elect five Directors of the Company, each to serve for a three-year term (Proposal One);
2. To amend the Company's Restated Articles of Organization to increase the number of shares of common stock that the Company is authorized to issue from 10,000,000 shares to 20,000,000 shares (Proposal Two);
3. To ratify the Audit Committee's appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007 (Proposal Three); and
4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 13, 2007 as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. Only holders of the Company's common stock of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

In the event there are not sufficient votes to approve any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Company.

By Order of the Board of Directors

Michael A. Spinelli

Secretary

222 Merrimack Street
Lowell, Massachusetts 01852
March 26, 2007

EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES OR, IF YOU PREFER, YOU MAY DELIVER YOUR PROXY ELECTRONICALLY BY FOLLOWING THE INSTRUCTIONS INCLUDED WITH YOUR PROXY CARD. IF YOU ATTEND THE ANNUAL MEETING AND DESIRE TO WITHDRAW YOUR PROXY AND VOTE IN PERSON, YOU MAY DO SO.

PROXY STATEMENT

ENTERPRISE BANCORP, INC.

**222 MERRIMACK STREET
LOWELL, MASSACHUSETTS 01852
Telephone: (978) 459-9000**

**ANNUAL MEETING OF STOCKHOLDERS
To Be Held on Tuesday, May 1, 2007**

GENERAL INFORMATION

Introduction

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Enterprise Bancorp, Inc. (the Company), the parent holding company of Enterprise Bank and Trust Company (the Bank), for the 2007 Annual Meeting of stockholders of the Company (the Annual Meeting), to be held on Tuesday, May 1, 2007 at 4:00 p.m. local time, at the Boston University Conference Center, 72 Tyng Road, Tyngsboro, Massachusetts and at any adjournments or postponements thereof. This Proxy Statement, the accompanying Notice of Annual Meeting and the accompanying proxy card are first being mailed to stockholders on or about March 26, 2007.

The Annual Meeting has been called for the following purposes: (1) to elect five Directors of the Company, each to serve for a three-year term; (2) to amend the Company's Restated Articles of Organization; (3) to ratify the Audit Committee's appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007; and (4) to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Company is a Massachusetts corporation and a registered bank holding company. All of the Company's material business activities are conducted through the Bank.

The Company effected a 2:1 split of its common stock, par value \$0.01 per share (the Common Stock), through the payment of a stock dividend to stockholders of record on June 15, 2006. All references to issued or issuable shares of Common Stock (including the exercise price of outstanding options to purchase shares of Common Stock) contained in this Proxy Statement have been adjusted to reflect the stock split.

Record Date

The Board of Directors has fixed the close of business on March 13, 2007 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof (the Record Date). Only holders of record of the Company's common stock (the Common Stock) at the close of business on the Record Date will be entitled to notice of, and to vote at, the

Annual Meeting and any adjournments or postponements thereof. At the close of business on the Record Date, there were _____ shares of the Common Stock issued and outstanding and entitled to vote at the Annual Meeting and any adjournments or postponements thereof. The holders of shares of the Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held of record upon each matter properly submitted to the Annual Meeting or any adjournments or postponements thereof.

Proxies

You may vote at the annual meeting in person or by proxy. Proxies may be delivered in writing by mail or electronically by phone or via the Internet. If you intend to deliver a proxy by mail, we request that you complete, date, sign and promptly return the accompanying proxy card in the enclosed envelope, which requires no postage if mailed in the United States. If you intend to deliver a proxy electronically, you may do so by phone or via the Internet by following the instructions included with your proxy card. If you hold your shares in _____ street name _____, such as in a stock brokerage account or through a bank or other nominee, you need to check your proxy card or contact your broker or nominee to determine whether electronic proxy delivery is available to you.

If you are delivering a proxy by mail and you return the enclosed proxy card properly executed to the Company in time to be voted at the Annual Meeting or if you are delivering a proxy electronically and you properly follow the instructions included with your proxy card for doing so by no later than the deadline indicated in such instructions, then the shares represented by your proxy, regardless of the method of delivery, will be voted in accordance with the instructions marked thereon, if mailed, or otherwise properly included in any electronic delivery, unless you subsequently revoke your proxy as further explained below.

If you properly deliver your proxy, whether by mail or electronically, without including any instructions as to how your proxy should be voted, then your proxy will be voted as follows: (1) FOR the election of Nancy L. Donahue, George L. Duncan, Eric W. Hanson, Carol L. Reid and Michael A. Spinelli, the five nominees of the Board of Directors, as Directors of the Company; (2) FOR the amendment of the Company's Restated Articles of Organization to increase the number of authorized shares of Common Stock from 10,000,000 to 20,000,000; (3) FOR the ratification of the Audit Committee's appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007; and (4) in such manner as management's proxy-holders shall decide on such other matters as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The presence of a stockholder at the Annual Meeting will not automatically revoke a stockholder's proxy. A stockholder may, however, revoke a proxy at any time prior to the voting thereof on any matter (without, however, affecting any vote taken prior to such revocation) by filing with the Secretary of the Company a written notice of revocation, or by delivering to the Company a duly executed proxy bearing a later date, or by properly delivering a proxy electronically at a later date, or by attending the Annual Meeting and voting in person. All written notices of revocation and other communications with respect to revocation of proxies in connection with the Annual Meeting should be addressed as follows: Enterprise Bancorp, Inc., 222 Merrimack Street, Lowell, Massachusetts 01852, Attention: Michael A. Spinelli, Secretary.

It is not anticipated that any matters other than those set forth in the foregoing proposals (1), (2) and (3) contained in this Proxy Statement will be brought before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon such matters in their discretion in accordance with their best judgment.

In addition to use of the mails, proxies may be solicited personally or by telephone or fax by officers, Directors and employees of the Company, none of whom will be specially compensated for such solicitation

activities. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for forwarding solicitation materials to the beneficial owners of shares held of record by such persons, and the Company will reimburse such persons for their reasonable out-of-pocket expenses incurred in that connection. The cost of soliciting proxies will be borne by the Company.

Quorum; Vote Required

The presence, in person or by proxy, of at least a majority of the total number of outstanding shares of the Common Stock is necessary to constitute a quorum at the Annual Meeting for the transaction of business. Abstentions and broker non-votes (as defined below) will be counted as present for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting. A quorum being present, the affirmative vote of a plurality of the votes cast at the Annual Meeting is required for the election of Directors of the Company (Proposal One). In voting for the election of Directors, shareholders may vote FOR all nominees or Withhold their vote from all nominees or from only certain specified nominees. Withholding a vote from all or some of the nominees is effectively a vote against such nominee(s). Any broker non-votes in the election of Directors would not be counted as votes cast for the purpose of electing Directors and, therefore, would not affect the election of Directors. The approval and adoption of the amendment to the Company's Restated Articles of Organization (Proposal Two) requires the affirmative vote of the holders of a majority of the outstanding shares of the Common Stock. Neither abstentions nor broker non-votes will be included among the outstanding shares of Common Stock that are affirmatively voted for this proposal and, therefore, they will have the effect of votes against this proposal. The approval of the proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2007 (Proposal Three) requires the affirmative vote of a majority of the shares present and voting, in person or by proxy, at the Annual Meeting. Neither abstentions nor broker non-votes will be included among the shares that are considered to be present and voting on this proposal and, therefore, they will have no effect on the voting for this proposal.

A broker non-vote is a proxy from a broker or other nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote the shares which are the subject of the proxy on a particular matter with respect to which the broker or other nominee does not have discretionary voting power.

The Directors and executive officers of the Company have indicated that they intend to vote all shares of the Common Stock that they are entitled to vote in favor of each of proposals (1), (2) and (3) presented herein. On the Record Date, the Directors and executive officers of the Company in the aggregate had the right to vote _____ shares of the Common Stock representing approximately _____ % of the outstanding shares of the Common Stock as of such date.

2006 Amendment of By-laws

On May 2, 2006, pursuant to its authority under the Company's articles of organization and by-laws, the Board of Directors approved various amendments to the Company's by-laws. These amendments were adopted largely to reflect changes in Massachusetts corporate law resulting from the legislature's adoption in 2003 of Chapter 156D of the Massachusetts General Laws. The amendments also reflected changes to the by-laws that were required to implement the Board of Directors' decision to separate the chairmanship and chief executive officer positions in the Company's corporate governance structure, as well as changes intended to incorporate best practices standards in connection with officer designations and responsibilities, director nominations and director and officer indemnification. A copy of the Company's current Amended and Restated By-laws was filed with the Securities and Exchange Commission on May 5, 2006 as Exhibit 3.2 to the Company's current report on Form 8-K. You can access a copy of the by-laws through the SEC's web site at <http://www.sec.gov> or you can request a copy from the Company by either directing your request in writing to: Enterprise Bancorp, Inc, 222 Merrimack Street, Lowell, Massachusetts 01852, Attention: Michael A. Spinelli, Secretary, or by calling Jim Marcotte directly at (978) 656-5614.

PROPOSAL ONE

ELECTION OF CLASS OF DIRECTORS

The Company's By-Laws provide that the number of Directors shall be set by a majority vote of the entire Board of Directors. The number of Directors for the Company has been set at 17 through the date of the Annual Meeting, subject to change as described further below. Under the Company's Articles of Organization and By-Laws, this number is divided into three classes, as nearly equal in number as possible, with the Directors in each class serving a term of three years and until their respective successors are duly elected and qualified, or until his or her earlier resignation, death or removal. As the term of one class expires, a successor class is elected at the annual meeting of stockholders for that year.

The Board of Directors currently includes two members, Walter L. Armstrong and Charles P. Sarantos, whose terms will expire at the time of the Annual Meeting. Both Mr. Armstrong and Mr. Sarantos have indicated that they intend to retire from the Board of Directors upon the expiration of their term and, consequently, upon their retirement, the number of Directors of the Company will automatically be reset at 15.

At the Annual Meeting, there are five Directors to be elected to serve until the 2010 annual meeting of stockholders and until their respective successors are duly elected and qualified, or until his or her earlier resignation, death or removal. The Board of Directors has nominated, upon the recommendation of the Board's Corporate Governance/Nominating Committee, each of Nancy L. Donahue, George L. Duncan, Eric W. Hanson, Carol L. Reid and Michael A. Spinelli, for election as a Director for a three-year term.

Unless authority to do so has been withheld or limited in the proxy, it is the intention of the persons named in the proxy to vote the shares represented by each properly executed proxy for the election as a Director of each of the nominees named above. The Board of Directors believes that all of the nominees will stand for election and will serve as a Director if elected. However, if any person nominated by the Board of Directors fails to stand for election or is unable or refuses to accept election, the proxies will be voted for the election of such other person or persons as the Board of Directors may recommend.

Information Regarding Nominees

The following table sets forth certain information for each of the five nominees for election as Directors at the Annual Meeting. Each individual has been engaged in his or her principal occupation for at least five years, except as otherwise indicated.

Nominees

(Term to Expire in 2010)

Name, Age and Principal Occupation	Director Since(1)
Nancy L. Donahue (76) Chair of the Board of Trustees, Merrimack Repertory Theatre	1988
George L. Duncan (66) Chairman of the Company and the Bank since their inception; prior to January 2007, also Chief Executive Officer of the Company and the Bank since inception	1988
Eric W. Hanson (63) Chairman, D.J. Reardon Company, Inc.	1991
Carol L. Reid (59) Through August 2005, Vice President, Corporate Controller and Chief Accounting Officer at Avid Technology	2006
Michael A. Spinelli (74) Owner, Merrimac Travel Service Inc., and Owner, World Tourism Solutions; former owner of Action Six Travel Network; since July 2003, Secretary of the Company and Clerk of the Bank; prior to July 2003, Assistant Clerk of the Company and the Bank	1988

(1) All of the listed Nominees are also Directors of the Bank. The years listed in the foregoing table are the respective years in which each named individual first became a Director of the Company and the Bank.

For information regarding the remaining members of the Board of Directors, who will continue to serve after the Annual Meeting, see the listing under the heading *Continuing Directors* at pages 8-9 below.

Recommendation of Directors

The Board of Directors recommends that the stockholders vote FOR the election of Nancy L. Donahue, George L. Duncan, Eric W. Hanson, Carol L. Reid and Michael A. Spinelli, the five nominees proposed by the Board of Directors, as Directors of the Company to serve until the 2010 annual meeting of stockholders and until their successors are duly elected and qualified.

PROPOSAL TWO

APPROVAL OF AMENDMENT TO ARTICLES OF ORGANIZATION

General

On January 16, 2007, the Board of Directors adopted a resolution approving and recommending to the stockholders for their approval and adoption, an amendment to the Company's Restated Articles of Organization to increase the number of shares of Common Stock that the Company is authorized to issue from 10,000,000 shares to 20,000,000 shares. Of the 10,000,000 shares of Common Stock that the Company currently is authorized to issue, _____ shares were issued and outstanding on the Record Date.

If the proposed amendment is approved by the stockholders, the Company will be authorized to issue up to 20,000,000 shares of Common Stock and, subject to certain limitations under the Massachusetts Business Corporation Act and the rules of The NASDAQ Stock Market, the Company may issue these additional authorized shares of Common Stock without any further action or approval by the stockholders. The purpose of the proposed amendment is to provide additional authorized shares of Common Stock for possible use in connection with future financings, investment opportunities, acquisitions, employee stock purchase or other benefit plans, dividend reinvestment plan distributions, other distributions, such as stock dividends or stock splits, or for other corporate purposes. The 2:1 stock split that became effective on June 15, 2006 doubled the number of outstanding shares of Common Stock, so that the Company's ability to undertake these types of transactions or distributions in the future will be significantly restricted, unless the total number of authorized shares is increased. The Company has no specific plans or commitments at this time for the issuance of the additional authorized shares of Common Stock that would be added by the proposed amendment, but desires to position itself to do so if and when the need arises or market conditions otherwise warrant.

The issuance of additional shares of Common Stock could be deemed under certain circumstances to have an antitakeover effect, such as if the shares were issued to dilute the equity ownership and corresponding voting power of a stockholder or group of stockholders who may oppose the policies or strategic plan of the Company's existing management. On this basis, the proposed increase in authorized shares could enable the Board of Directors to render more difficult or discourage an attempt by another person or entity to obtain control of the Company. The Board of Directors has no present intention of issuing any of the additional authorized shares of Common Stock for such purposes.

Recommendation of Directors

The Board of Directors recommends that the stockholders vote FOR the amendment of the Company's Restated Articles of Organization to increase the number of shares of Common Stock that the Company is authorized to issue from 10,000,000 to 20,000,000.

PROPOSAL THREE

**RATIFICATION OF APPOINTMENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed KPMG LLP to serve as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2007.

The Company is not required to submit the ratification of the Audit Committee's appointment of KPMG LLP as the Company's independent registered public accounting firm to a vote of stockholders. In the event a majority of the votes cast are against the appointment of KPMG LLP, the Audit Committee may consider the vote and the reasons therefor in future decisions on its appointment of the Company's independent registered public accounting firm.

Representatives of KPMG LLP are expected to attend the annual meeting at which time they will have an opportunity to make a statement if they wish to do so and will be available to answer any appropriate questions from stockholders.

Audit Fees

The aggregate fees billed by KPMG LLP for professional services rendered for the audit of the Company's annual consolidated financial statements for the year ended December 31, 2006 and the review of the consolidated financial statements included in the Company's quarterly reports on Form 10-Q as filed with the SEC during the year ended December 31, 2006 were \$328,000. The same fees for the year ended December 31, 2005 were \$320,500.

Audit-Related Fees

In addition to the audit fees billed by KPMG LLP, as referred to above, the aggregate fees billed to the Company for audit-related fees for the years ended December 31, 2006 and December 31, 2005 were \$27,000 and \$21,868, respectively. Fees paid in 2006 and 2005 were related to audits of the Company's 401(k) plan.

Tax Fees

The Company paid \$20,700 in 2006 and \$16,000 in 2005 to KPMG LLP for tax preparation services performed in each of these two years.

All Other Fees

No additional fees were paid to KPMG, LLP in 2006. All other fees paid to KPMG, LLP in 2005 amounted to \$6,500 for research provided related to historic rehabilitation tax credits.

The Audit Committee must approve in advance any audit or permissible non-audit engagement or relationship between the Company and its independent registered public accounting firm. The Audit Committee has delegated to its chairman this approval authority, subject to the requirement that the chairman report the terms of any such engagement or relationship to the full Audit Committee at its next regularly scheduled meeting. All of the services described above, including those described under the headings, Audit-Related Fees, Tax Fees, and All Other Fees, were provided in conformance with such pre-approval requirements. The Audit Committee has determined that providing the services described above under the

headings, Audit-Related Fees , Tax Fees , and All Other Fees , is compatible with maintaining the independence of KPMG LLP.

Recommendation of Directors

The Board of Directors recommends that the stockholders vote FOR the ratification of the Audit Committee s appointment of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2007.

BOARD OF DIRECTORS

In addition to the nominees for election to the Board of Directors set forth above, the Board of Directors is comprised of the individuals listed below whose terms expire at the annual meetings of the Company s stockholders in 2008 and 2009. Each individual has been engaged in his or her principal occupation for at least five years, except as otherwise indicated.

Continuing Directors

(Term to Expire in 2008)

Name, Age and Principal Occupation	Director Since(1)
Kenneth S. Ansin (42) Since January 2002, President of Norwood Fine Cabinetry; from November 1998 through February 2002, Business Development Officer of the Bank	1994
John R. Clementi (57) President, Plastics, Inc. and Holiday Housewares, Inc.	1998
Carole A. Cowan (64) President, Middlesex Community College	1999
Arnold S. Lerner (77) Vice Chairman of the Company and the Bank; Director, Courier Corporation; prior to July 2003, Clerk of the Company and the Bank	1988
Richard W. Main (59) Since January 2005, President of the Company and President and Chief Lending Officer of the Bank; from January 1, 2003 through December 31, 2004, President, Chief Operating Officer and Chief Lending Officer of the Bank; prior to January 1, 2003, President of the Company since its inception and President, Chief Operating Officer and Chief Lending Officer of the Bank	1989

(Term to Expire in 2009)

Name, Age and Principal Occupation	Director Since(1)
John P. Clancy, Jr. (49) Since January 2007, Chief Executive Officer of the Company and the Bank and Chief Investment Officer of the Bank; From January 1, 2005 through December 31, 2006, Executive Vice President and Chief Operating Officer of the Company and Executive Vice President, Chief Operating Officer and Chief Investment Officer of the Bank; from January 1, 2003 through December 31, 2004, President and Treasurer of the Company and Executive Vice President, Treasurer and Chief Investment Officer of the Bank; prior to January 1, 2003, Treasurer of the Company since its inception and Executive Vice President, Treasurer and Chief Investment Officer of the Bank (prior to May 2003, also Chief Financial Officer of the Bank)	2003
James F. Conway, III (54) Chairman, Chief Executive Officer and President of Courier Corporation	1989
Lucy A. Flynn (53) Since March 2002, Vice President Global Marketing Communications, Raytheon Company; prior thereto, Executive Vice President, Marketing, Atlantic Data Services, Inc.	1997
John P. Harrington (64) Energy Consultant for Tennessee Gas Pipeline Company	1989
Nickolas Stavropoulos (49) Since June 2004, President, KeySpan Energy Delivery, and Executive Vice President, KeySpan Corporation; from April 2002 through May 2004, Executive Vice President, KeySpan Corporation and President, KeySpan Energy New England; from November 2001 through March 2002, Senior Vice President of Sales and Marketing, KeySpan Energy Delivery New England; prior thereto, Senior Vice President of Marketing and Gas Resources for Boston, Colonial and Essex Gas Companies	2002

(1) All of the Directors are also Directors of the Bank. The years listed in the foregoing tables are the respective years in which each named individual first became a Director of the Company and the Bank.

Independence of Board of Directors

The Board of Directors has determined that every individual who served as a Director during the year ended December 31, 2006 is independent of the Company's management on the basis of the independence standards contained in Rule 4200(a)(15) of the Marketplace Rules of The NASDAQ Stock Market, except for Messrs. Duncan, Main and Clancy, who are all current employees of the Company, and Mr. Armstrong, who is a former employee of the Company.

With respect to each of the Company's independent Directors, there were no transactions, relationships or arrangements that have not been disclosed in this Proxy Statement under the heading "Transactions with Certain Related Persons" at page 30 below, which were considered by the Board of Directors pursuant to the independence standards referred to in the preceding paragraph in the course of the Board's determining that each such Director meets the definition of independence.

Meetings of Board of Directors and Committees of Enterprise Bancorp, Inc. and Enterprise Bank and Trust Company

There were eight joint meetings of the Company's (i.e., Enterprise Bancorp, Inc.) Board of Directors and the Bank's (i.e., Enterprise Bank and Trust Company) Board of Directors during the calendar year ended December 31, 2006. During such period, each Director attended more than 75% in the aggregate of the total number of meetings of the Board of Directors and of each of the committees of the Board of Directors on which he or she served, excluding Messrs. Ansin, Armstrong, Clementi, Conway and Stavropoulos.

The Company's Board of Directors maintains five standing committees, an executive committee, an audit committee, an asset-liability committee, a compensation/personnel committee, and a corporate governance/nominating committee.

The Bank's Board of Directors has an executive committee, audit committee, compensation/personnel committee, asset-liability committee, marketing and business development committee, banking technology committee, investment advisory group committee, loan committee, and corporate governance/nominating committee.

Executive Committee. The executive committee is authorized to manage and transact the business of the Company and the Bank. In addition, loans over certain amounts must be approved by the executive committee.

Audit Committee. The audit committee is directly responsible for the appointment, compensation and oversight of the work of the Company's independent registered public accounting firm. Among other responsibilities, the audit committee also oversees and reviews all internal audit examinations and reports of the Company and the Bank, and reviews all audit reports of the Company prepared by the Company's independent registered public accounting firm and all reports of examination of the Company and of the Bank prepared by regulatory authorities. The audit committee held three executive sessions during 2006 with the Company's independent registered public accounting firm, KPMG LLP.

Compensation/Personnel Committee (Compensation). The compensation/personnel committee is responsible for establishing the Company's executive compensation standards and overseeing the administration of the Company's compensation and benefits programs, including its equity compensation programs. The committee is also responsible for overseeing the administration of the employee benefit and compensation programs of the Bank.

Asset-Liability Committee (ALCO). The asset-liability committee is responsible for Board oversight of the Company's and the Bank's interest rate risk, capital adequacy and liquidity. Through the Company's and Bank's asset-liability and investment policies, the committee monitors, evaluates and controls interest rate risk, as a whole and within certain tolerance levels, while ensuring adequate liquidity and adequate capital.

Marketing and Business Development Committee (Marketing). The marketing and business development committee reviews the Bank's marketing and business development activities.

Banking Technology Committee (Technology). The banking technology committee is responsible for overseeing the administration of the Bank's data processing function.

Investment Advisory Group Committee (IAG). The investment advisory group committee is responsible for overseeing the Bank's trust and investment management activities, including administering trust policy and reviewing trust accounts.

Loan Committee. The loan committee reviews and considers loans proposed for charge-off, as well as loans on the Watch Asset list and other problem loans. The committee also reviews and considers various reports on the commercial loan portfolio and certain larger commercial relationships, with a particular focus on larger construction lending relationships.

Corporate Governance/Nominating Committee (CGNC.) The corporate governance/nominating committee is responsible for developing and recommending to the Board the corporate governance principles applicable to the overall governance of the Company and of the Bank. The corporate governance/nominating committee's specific responsibilities include developing and recommending to the Board independence standards for Board members, evaluating the performance of the Board and its various committees, recommending to the Board the appointment of individual directors to the Board's various committees, recommending to the Board the director nominees for election at the Company's annual meeting of shareholders, developing and recommending criteria for the selection of new directors and reviewing and making recommendations on shareholder proposals.

The following table provides 2006 membership by current Directors and meeting information for each of the standing committees of the Company and the Bank:

	Executive(1)	Audit	Compensation	ALCO(1)	Marketing	Technology	IAG(1)	Loan	CGNC
Ansin				X *	X			X	
Armstrong					X	X			