

**FIRST MIDWEST BANCORP, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**  
**(Updated as of: February 19, 2020)**

**I. Introduction**

The Board of Directors (the “Board”) of First Midwest Bancorp, Inc. (the “Company”) recognizes the importance of corporate governance as a component of providing long-term stockholder value. Accordingly, acting on the recommendation of its Nominating and Corporate Governance Committee, the Board has developed and adopted the following corporate governance principles (“Guidelines”) to promote the effective functioning of the Board and its committees, to promote the interests of stockholders and to set forth a common set of expectations as to how the Board, its committees, its members and management should perform their respective functions.

**II. Purpose of the Board**

The business and affairs of the Company shall be managed by or under the direction of the Board. The Board selects the Company’s senior management, which is charged with the conduct of the Company’s day-to-day business, acts as an advisor and counselor to senior management, monitors the performance of senior management and assists senior management with succession planning.

**III. Board Composition**

The composition of the Board should collectively encompass a broad range of judgment, perspectives, backgrounds, business experience, industry knowledge, technical skills, diversity (including, for example, age, gender and minority), contacts relevant to the Company’s business and other attributes useful to the effective oversight of the Company’s business. A majority of the members of the Board shall be directors whom the Board has determined to be “independent” under the rules of The Nasdaq Stock Market, as such rules may be amended and modified from time to time (each an “Independent Director”).

The size of the Board shall be set in accordance with the Company’s Certificate of Incorporation and By-Laws, as each may be amended or restated from time to time. The size of the Board should be sufficient to facilitate substantive discussions of the whole Board in which each director can participate meaningfully. The number of directors shall not exceed a number that can function efficiently as a body but be large enough to allow for a diversity of perspectives and backgrounds. From time to time, the Nominating and Corporate Governance Committee shall consider and make recommendations to the Board concerning the appropriate size and needs of the Board. The Board believes that the Board also should include the Company’s Chief Executive Officer (“CEO”), if elected by stockholders.

**IV. Selection of Board Chair and Chief Executive Officer**

The Board may select its Chair and the Company’s CEO in the manner it considers in the best interest of the Company at any given point in time. These positions may be filled by one individual or by two different individuals. If the positions of Chair of the Board and

CEO are held by the same individual, the Board will annually appoint from among its members a Lead Independent Director. The duties and responsibilities of the Lead Independent Director are as follows:

- Act as a liaison on behalf of the independent directors with the Chair of the Board.
- Preside at all meetings of the Board of Directors and stockholders at which the Chair of the Board is not present.
- Consult with the Chair of the Board on the agendas and the schedules for meetings of the Board of Directors.
- Have the ability to call meetings of the Board of Directors.
- Determine, in conjunction with the Board of Directors, the need for, have the ability to call and preside at meetings of the independent directors and, following each such meeting, promptly communicate to the Chair of the Board the substance of the discussions that occurred at the meeting.
- Serve as a member of the Advisory Committee of the Board of Directors.
- Serve as the acting Chair of the Board in the event of an extended incapacitation of the Chair of the Board until the incapacitation has ended or a successor to the Chair of the Board is elected.
- Together with the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee, interview all new director candidates.
- Consult with the Chair of the Board with respect to the quality and timeliness of information provided to the Board of Directors.
- Perform such other duties and responsibilities as may be assigned to the Lead Independent Director by the Board of Directors.

## **V. Selection of Directors**

*Election.* The Board shall be elected in the manner set forth in the Company's Certificate of Incorporation and By-Laws.

*Nomination.* The Nominating and Corporate Governance Committee is responsible for recommending to the Board a slate of director candidates to stand for election at the Company's annual meeting of stockholders and any nominees to fill vacancies occurring between annual meetings of stockholders. In fulfilling its responsibilities, the Nominating and Corporate Governance Committee periodically will review the composition of the Board and evaluate potential new candidates for Board membership. The Nominating and Corporate Governance Committee may use a variety of sources, including executive search firms and stockholder recommendations, to identify potential director nominees.

*Evaluation.* The Nominating and Corporate Governance Committee will consider and evaluate all director candidates. In evaluating director candidates, the Nominating and Corporate Governance Committee may consider, among other things:

- the candidate's judgment, expertise, character, skills, background, knowledge of matters useful to the oversight of the Company and other relevant experience,
- the candidate's ability and willingness to commit adequate time to Board and committee matters, and
- the extent to which the interplay of the candidate's expertise, skills, knowledge and personality with that of other Board members will build a Board that is effective, collegial and responsive to the needs of the Company.

The Nominating and Corporate Governance Committee will consider and evaluate director candidates recommended by stockholders in the same manner as other candidates identified by the Committee. A stockholder wanting to formally nominate a candidate must do so by following the procedures described in the Company's Certificate of Incorporation. Stockholders wanting to suggest director candidates should submit their suggestions in writing to the attention of the Company's Corporate Secretary, providing the candidate's name and qualifications for service as a Board member, a document signed by the candidate indicating the candidate's willingness to serve if elected and evidence of the stockholder's ownership of Company stock.

*Independence Determination.* The Nominating and Corporate Governance Committee also is responsible for initially assessing whether a candidate would be an Independent Director. The Board, taking into consideration the assessment of the Nominating and Corporate Governance Committee, shall make the final determination as to whether a nominee or appointee would be an Independent Director. Through its subsidiaries, the Company provides banking services, extensions of credit and other financial services in the ordinary course of its business. The Sarbanes-Oxley Act prohibits loans to directors, as well as executive officers, except certain loans in the ordinary course of business and loans by an insured depository institution subject to Regulation O of the Board of Governors of the Federal Reserve System. All loans to directors (if any) will be made pursuant to applicable law, including the Sarbanes-Oxley Act and Regulation O (which also applies to banking relationships with certain family members of a director and to entities owned or controlled by a director). Further, each such relationship that is made in the ordinary course of business will not by itself prohibit the Board from determining that an individual director is an Independent Director.

*Invitation.* The invitation to join the Board should be extended by the Board itself via the Chair of the Nominating and Corporate Governance Committee or the Chair of the Board.

*Orientation and Continuing Education.* Management, working with the Board, may provide a formal or informal orientation process for new directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Periodically, management may prepare formal or informal additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile.

## **VI. Term Limits**

The Board does not believe it should establish term limits for directors. As an alternative to term limits, the Nominating and Corporate Governance Committee will review each director's continuation on the Board in connection with the Committee's recommendation to the Board each year of a slate of director candidates to stand for election at the Company's annual meeting of stockholders.

## **VII. Resignation of Directors**

A director shall submit his or her written offer of resignation to the Chair of the Board and the Nominating and Corporate Governance Committee upon the occurrence of either of the following:

1. When he or she no longer meets the general qualifications for director, or
2. When he or she attains age 75.

Upon receiving such resignation, the Nominating and Corporate Governance Committee shall consider and make a recommendation to the Board as to whether the offer of resignation should be accepted. The Board may accept such offer of resignation or it may decline to accept the resignation and request that the director continue to serve until the completion of his or her existing term. If the Board declines to accept the resignation, the director shall not be required to tender his or her resignation again under this section, and the Nominating and Corporate Governance Committee will consider the candidacy of the director in connection with its annual recommendation to the Board of director nominees for election at the annual meeting of stockholders.

## **VIII. Change in Job Responsibility and Additional Directorships**

Any director who substantially changes his or her employment status will inform the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee of the change. In addition, he or she must offer to resign from the Board. The Nominating and Corporate Governance Committee and the Chair of the Board, in consultation with the CEO, will evaluate the offer to resign and the Committee will make a recommendation to the Board with respect to such offer of resignation.

Any director who desires to accept a directorship, or an appointment to a board committee of a corporation with a class of securities registered under the Securities Exchange Act of 1934 (*i.e.*, a public company), a privately-held corporation or a nonprofit organization, will inform the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting such position. The Chair of the Board and the Chair of the Nominating and Corporate Governance Committee, with the advice and input of the CEO, will consider the effect of the director's proposed acceptance of such position on his or her ability to continue to serve as a director of the Company, including any potential conflicts of interest. If the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee determine that the director's proposed service would interfere with his or her ability to continue to serve as a director of the Company, they will so notify the director and the director will inform the Chair of the Board whether he or she

nevertheless intends to accept the other directorship and shall resign from the Board prior to being elected or appointed to such proposed directorship or committee membership. All decisions in this regard shall be reported to the full Board of Directors. Service on boards and/or board committees of public or privately-held corporations or nonprofit organizations should be consistent with the Company's conflict of interest policies.

#### **IX. Board and Committee Meetings**

The Board shall have at least four meetings each year, with further meetings to occur (or action to be taken by unanimous written consent) in accordance with the Company's By-Laws. Each committee shall have at least the number of meetings provided for in its charter, with further meetings to occur (or action to be taken by unanimous written consent) in accordance with the charter of the committee.

The agenda for each Board meeting will be prepared by the Chair of the Board and, if the positions of Chair of the Board and CEO are held by the same individual, in consultation with the Lead Independent Director. The agenda for each committee meeting shall be established by the committee chair in consultation with appropriate members of the committee and management. Any director may request the Chair of the Board to include an item on a Board agenda. Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

#### **X. Meetings of Independent Directors**

The independent directors of the Company will meet with no management directors or members of management present as needed, and at least two times each fiscal year. Meetings of the independent directors will be called and chaired by the Lead Independent Director or, in the absence of the Lead Independent Director, by the Chair of the Board (if independent) or the Chair of Nominating and Corporate Governance Committee. The meetings of the independent directors may include such topics as the independent directors determine to be appropriate.

#### **XI. The Committees of the Board**

The Company shall have an Audit Committee, Compensation Committee, Enterprise Risk Committee, Nominating and Corporate Governance Committee and such other committees as may be required by applicable laws, rules or regulations, including the rules of the Nasdaq Stock Market, or as may be approved by the Board. Each of the Audit Committee, Compensation Committee, Enterprise Risk Committee and Nominating and Corporate Governance Committee must have a written charter satisfying the rules of the Nasdaq Stock Market.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of any committee, or to request that an item from a committee agenda be considered by the Board.

Each committee chair will give a periodic report of his or her committee's activities to the Board. Each of the Audit Committee, Compensation Committee, Enterprise Risk

Committee and Nominating and Corporate Governance Committee shall be composed of at least three directors who are Independent Directors. The required qualifications for the members of each committee shall be set out in the respective committee's charter. A director may serve on more than one committee for which he or she qualifies.

The members of each committee of the Board shall be appointed by the Board. The Nominating and Corporate Governance Committee will recommend to the Board the composition of each committee of the Board, including: (1) the members to serve on each committee, (2) the chair of each committee, and (3) the vice-chair of each committee in the event the Board deems a vice-chair to be necessary or appropriate. Notwithstanding the foregoing, any member may only serve as the chair of one committee of the Board at any given time.

## **XII. Management Succession**

From time to time, the Board, or a committee designated by the Board, shall review the succession plan developed by management, addressing the policies and principles for selecting successors to senior management, both in an emergency situation and in the ordinary course of business. Management's succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to senior management. Oversight of management's succession planning, or certain aspects thereof, may be reviewed as frequently and in the manner that the Board deems warranted, including by delegation of such duties to a committee of the Board.

## **XIII. Executive Compensation**

*Evaluating and Approving Compensation of the CEO.* The Compensation Committee shall conduct an annual evaluation of the CEO's performance. The Board, taking into consideration the advice and recommendation of the Compensation Committee, shall set the compensation level of the CEO each year.

*Evaluating and Approving the Compensation of Executives.* The CEO, or another executive officer of the Company selected by the CEO, shall conduct an annual evaluation of each member of executive management of the Company. The Board, taking into consideration the advice and recommendation of the Compensation Committee and the CEO, shall set the compensation levels applicable to executive management each year. The term "executive management" shall include those officers of the Company designated by the Board to be reporting officers for the purposes of Section 16(a) of the Securities Exchange Act of 1934.

## **XIV. Board Compensation**

The Compensation Committee shall conduct a review annually of the components and amount of Board compensation, including Board compensation at peer group or other similarly situated companies. The Board shall set the form and amounts of director compensation, taking into account the recommendations of the Compensation Committee. The Board believes that the amount of director compensation should fairly reflect the contributions of the directors to the performance of the Company and should be consistent

with market practices. Only non-management directors shall receive compensation for services as a director.

## **XV. Stock Ownership Guidelines; Trading in Securities**

The Nominating and Corporate Governance Committee shall approve Stock Ownership Guidelines for the Company's directors and executive officers. These guidelines are intended to align the interests of the Company's directors and executive officers with those of the Company's stockholders, attract and retain engaged directors and senior management and encourage long term stock ownership in the Company, while recognizing the need for diversification of investments. Additionally, directors and executive officers are subject to the Company's Policy on Trading in Public Securities and Policy on Pledging or Hedging of Securities.

## **XVI. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

*Commitment and Attendance.* All directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone or video conference to mitigate conflicts.

*Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. All directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees.

*Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director.

The Company has adopted a Code of Ethics and Standards of Conduct applicable to its employees and directors. This Code includes, among other matters, provisions relating to conflicts of interest, honesty and fair dealing, corporate opportunities, confidential information, public disclosure and trading in securities of the Company. Directors should be familiar with the provisions of the Code.

*Contact with Management.* All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent

opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages management to, from time to time, bring managers into Board meetings who: (1) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (2) are managers with future potential that the senior management believes should be given exposure to the Board.

*Contact with Other Constituencies.* It is important that the Company speak to outside constituencies with a single voice. In accordance with the Company's Corporate Disclosure Policy, the primary spokespersons of the Company shall be the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Marketing and Communications Officer and General Counsel, or such other employees or persons as any of the foregoing officers may designate.

*Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

## **XVII. Evaluating Board Performance**

The Board, acting through the Nominating and Corporate Governance Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Nominating and Corporate Governance Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Nominating and Corporate Governance Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter.

## **XVIII. Reliance on Management and Outside Advice**

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors. Each member of the Board shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Board by such persons or organizations.

## **XIX. Stockholder Communications to the Board**

Stockholders may contact an individual director, the Board as a group or a specified Board committee or group, including the Independent Directors as a group, by the following means:



First Midwest Bancorp, Inc.  
Attn: Board of Directors  
8750 West Bryn Mawr Avenue, Suite 1300  
Chicago, Illinois 60631

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee. Communications also may be referred to other departments within the Company. The Company generally will not forward to the directors a stockholder communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the Company.

Concerns about questionable accounting or auditing matters or possible violations of the Company's Code of Ethics and Standards of Conduct should be reported to the Board's Audit Committee or otherwise in accordance with the Company's Complaint Procedures for Accounting and Auditing Matters.

**XX. Miscellaneous**

All financial services and extensions of credits (if any) provided by the Company, or any of its subsidiaries, to a director's spouse, minor children and any other relative of the director who shares the director's home or who is financially dependent on the director, or any such person's principal business affiliations (through ownership or as a director or executive officer), and all transactions between the Company, or any of its subsidiaries, and any such person's principal business affiliations for property, services or other contractual arrangements, must in each case be made in the ordinary course of business and on substantially the same terms as those prevailing for comparable transactions with nonaffiliated persons.

\* \* \*