

**FIRST MERCHANTS CORPORATION  
COMPENSATION AND HUMAN RESOURCES COMMITTEE  
CHARTER**

**Purpose**

The Compensation and Human Resources Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of First Merchants Corporation (the “Corporation”), appointed by the Board in accordance with Article V, Section 12, of the Corporation’s Bylaws. The Committee’s purpose is to discharge the Board’s responsibilities with respect to the compensation and benefits of the Corporation’s executive officers and other specified responsibilities relating to compensation and human resources matters affecting the Corporation and its officers, employees and directors.

**Chair and Membership**

The Committee shall have at least three members, all of whom must be: (a) Independent Directors, as defined under Listing Rule 5605(a)(2) of the Nasdaq Stock Market (“Nasdaq”); and (b) eligible to serve on the Committee under the provisions of Nasdaq Listing Rule 5605(d)(2)(A). The Committee shall not include any member who is a current or former officer or employee of the Corporation.

The chair and members of the Committee shall be appointed by the Board on the recommendation of the Board’s Nominating & Governance Committee.

**Quorum**

A majority of the Committee Members on Compensation and Human Resources Committee shall constitute a quorum at any meeting, except when otherwise provided by law, or the Bylaws, but a lesser number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. If the number of Committee Members is below the number that would constitute a quorum, no business may be transacted. If a quorum is present, the Committee may take action through the vote of a majority of the directors who are in attendance.

**Committee Responsibilities**

The responsibilities of the Committee include:

1. Overseeing the Company’s human capital management strategy
2. Establishing the Corporation’s general compensation philosophy in consultation with senior management.
3. Overseeing the development and implementation of compensation policies and programs to carry out this compensation philosophy.

4. Annually reviewing the effectiveness of the Corporation's compensation policies and programs in light of this compensation philosophy and making any modifications that the Committee may deem necessary or advisable.
5. Reviewing the performance of and approving the compensation and benefits to be paid to the Chief Executive Officer (the "CEO") and the other executive officers and senior management employees of the Corporation. The CEO shall not be present during voting or deliberations on his or her compensation.
6. Reviewing the performance of and approving the compensation and benefits to be paid to the senior management employees of First Merchants Bank (the "Bank") and approving the compensation ranges and benefits for the other officers and employees of the Corporation and the Bank. The Committee may delegate all or part of these responsibilities to the CEO and/or other executive management of the Bank as it deems appropriate.
7. Administering the Corporation's incentive compensation plans, equity-based compensation plans, deferred compensation plans, and succession plan and succession planning process.
8. Making recommendations to the Board with respect to the adoption, amendment or termination of incentive compensation plans, equity-based compensation plans and deferred compensation plans.
9. Regularly monitoring risk exposure with respect to the Corporation's incentive compensation plans and other executive compensation plans to assure that risks remain within established limits, that steps are taken to mitigate these risks where appropriate, and that significant risk exposures are brought to the attention of the Board.
10. Reviewing annually executive change of control, employment and severance agreements.
11. Determining the amount to be reimbursed to the Company, if applicable, under the Company's Clawback Policy.
12. Reviewing and making recommendations to the Board regarding the compensation of the non-employee directors.
13. Annually reviewing and discussing with senior management the Compensation Discussion and Analysis (the "CD&A") and, based on this review and discussion, recommending to the Board whether the CD&A should be included in the Corporation's proxy statement for the annual meeting of shareholders.
14. Annually review and reassess the adequacy of this charter and recommending changes to the Board as appropriate.
15. Every other year, the Committee will evaluate its own performance and develop criteria for such evaluation.
16. Carrying out such other responsibilities as may be delegated to it by the Board from time to time.

## **Retention of Compensation Consultant, Legal Counsel and Other Advisers**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal counsel or other adviser retained by the Committee. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or other adviser retained by the Committee.

The Committee may select or receive advice from a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

1. The provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other adviser.
2. The amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser.
3. The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest.
4. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee.
5. Any stock of the Corporation owned by the compensation consultant, legal counsel or other adviser.
6. Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Corporation.

Although the Committee is obligated to conduct the independence assessment outlined above with respect to any compensation consultant, legal counsel or other adviser (other than in-house legal counsel) that provides advice to the Committee, the compensation consultant, legal counsel or other adviser need not be independent. The only requirement is that the Committee consider the six enumerated independence factors before selecting or receiving advice from a compensation adviser. The Committee may select or receive advice from whatever compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

The Committee is not required to implement or act consistently with the advice or recommendations of a compensation consultant, legal counsel or other adviser it retains. The Committee's retention of a compensation consultant, legal counsel or other adviser does not affect its ability or obligation to exercise its own judgment in fulfilling its duties.

The Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item

407(e)(3)(iii) of SEC Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Corporation and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for the Corporation or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

### **Meetings**

The Committee will meet at least three times annually, or more often as circumstances dictate. The Committee may ask members of management or others to attend the meeting and is authorized to receive any and all pertinent information from management as determined by the Committee. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee will meet with outside advisors or management in executive sessions to discuss any matters that the Committee or the groups believes should be discussed privately.

Minutes of meetings will be prepared and, after review and approval by the Committee, will be submitted to the full Board for their review.