

FIRST MIDWEST BANCORP, INC.

COMPENSATION COMMITTEE CHARTER

Purpose of Committee

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of First Midwest Bancorp, Inc. (the “Company”) is to assist the Board in discharging its responsibilities relating to compensation of the Company’s directors and senior management and to produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”).

Committee Membership

The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and each of who is otherwise “independent” under the rules of NASDAQ.

Members shall be appointed by the Board based on nominations recommended by the Company’s Nominating and Corporate Governance Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue. The Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

Quorum

A majority of the members of the Committee shall constitute a quorum. In the absence or disqualification of any member of the Committee, the members thereof present at any meeting and not disqualified from voting, whether or not he or they then constitute a quorum, may unanimously appoint another member of the Board of Directors to act at such meeting in place of any such absent or disqualified member.

Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. In consultation with senior management, review and evaluate the Company's general compensation philosophy, and oversee the development of compensation policies applicable to directors and senior management.
2. Annually review and evaluate a succession plan, developed by senior management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.
3. Annually review and approve corporate goals and objectives relevant to the compensation of the CEO, assist the Board in evaluating the performance of the CEO in light of those goals and objectives, and recommend to the Board the CEO's compensation level based on the evaluation.
4. Annually review and evaluate compensation programs applicable to directors and senior management of the Company.
5. Review and make recommendations to the Board applicable to severance, termination, retirement or early retirement payments or awards or any option vesting acceleration or option program participation continuation proposed to be made to any current or former director or member of senior management of the Company.
6. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

Committee Reports

The Committee shall produce the following reports and provide them to the Board.

1. An annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter. The performance evaluation should also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner, as the Committee deems appropriate.

Compensation Philosophy

The total compensation objectives of the Company (including its subsidiaries) are to: (i) focus executives on achieving performance objectives; (ii) motivate executives to attain the Company's short- and long-term performance goals; and (iii) enable the Company to attract and retain quality individuals who will contribute to the growth and financial success of the Company. Base salaries should be targeted at the median of competitive practice, and it is the Company's intent that its executives receive median pay for median performance and above median pay for above median performance. The vehicles for delivery of compensation above median shall be the Short Term Incentive Compensation (STIC) and Long Term Incentive Compensation (LTIC) Programs.

Resources and Authority of the Committee

The Committee shall have the authority, and the Company shall provide the resources necessary, to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to compensation consultants retained to assist with director or senior management compensation matters, this authority shall be vested solely in the Committee.