

**Charter of the  
GOVERNANCE AND NOMINATING COMMITTEE  
of the Board of Directors  
AMCORE Financial, Inc.**

**Adopted February 11, 2004**

**I. Purpose of the Committee**

The Governance and Nominating Committee is appointed by the Board of Directors of AMCORE Financial, Inc. (the "Company") to: 1) recommend individuals qualified to serve as directors of the Company and members of the Committees of the Board; 2) advise the Board with respect to Board and Committee composition and procedures; 3) advise the Board with respect to the corporate governance principles applicable to the Company; 4) review and recommend compensation of independent Directors; and 5) oversee the evaluation of the Board and the Company's senior management.

**II. Composition of the Committee**

The Committee shall be comprised of at least three, but no more than six directors, each of whom shall in the judgment of the Board meet the independence standards of the National Association of Securities Dealers, Inc. (the "NASD") and such other regulatory agencies to which the Company may be subject.

The members of the Committee shall be elected annually to one-year terms by majority vote of the full Board at the first meeting of the Board following the annual meeting of stockholders. Vacancies on the Committee may be filled by majority vote of the Board at the next meeting of the full Board following the occurrence of the vacancy. Any member of the Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board.

The Committee may form sub-Committees for any purpose that the Committee deems appropriate and may delegate to such sub-Committees such power and authority as the Committee deems appropriate; provided, however, that no sub-Committee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a sub-Committee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee has the authority to delegate such responsibilities, as the Committee deems appropriate to the Chief Administrative Officer; provided, however, that the Committee shall not delegate any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

**III. Meetings and Procedures of the Committee**

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee shall meet as provided by its rules, which shall be at least two times annually or more frequently as circumstances require. The Board shall designate one member of the Committee as its Chairperson. Special meetings of the Committee may be called by any member thereof upon not less than two days' notice stating the place, date and hour of the meeting, which notice may be written or oral. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting and action of the Committee shall be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Chief Executive Officer and Chief Administrative Officer may act as advisors to the Committee.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Board.

#### **IV. Duties of the Committee**

##### **A. Board Candidates and Nominees**

The Committee shall have the following goals and responsibilities with respect to Board candidates and nominees:

- a. To establish procedures for evaluating the suitability of potential director nominees proposed by management or stockholders, including any potential or actual conflicts of interest and to assist in the preparation of the disclosure relating to such procedures for inclusion in the Company's proxy statement.
- b. To recommend to the Board the director nominees for election by the stockholders or appointment by the Board, as the case may be, pursuant to the Bylaws of the Company, which shall be consistent with the Committee's criteria for selecting new directors.
- c. To review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a significant change in status, including but not limited to an employment change, and to recommend whether or not the director should be re-nominated.

##### **B. Board Composition and Procedures**

The Committee shall have the following goals and responsibilities with respect to the composition and procedures of the Board as a whole:

- a. To review annually with the Board the composition of the Board as a whole and to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by the NASD.
- b. To review periodically the size of the Board and to recommend to the Board any appropriate changes.
- c. To make recommendations on the frequency and structure of Board meetings.
- d. To review periodically and to make recommendations to the Board on the compensation of the directors.
- e. To make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including, but not limited to, procedures with respect to requests made to the Board for the waiver by the Board of any Company rule, guideline, procedure, corporate governance principle or provision of the Code of Conduct.

##### **C. Board Committees**

The following shall be the goals and responsibilities of the Committee with respect to the Committee structure of the Board:

- a. To make recommendations to the Board regarding the size and composition of each standing Committee of the Board of Directors, including the identification of individuals qualified to serve as members of a Committee and its Chairperson, including this Committee, and to recommend individual directors to fill any vacancy that might occur on a Committee, including the Governance and Nominating Committee.
- b. To monitor the functioning of the Committees of the Board and to make recommendations for any changes, including the creation and elimination of Committees.

- c. To review annually Committee assignments and the policy with respect to the rotation of Committee memberships and/or chairpersonships and to report any recommendations to the Board.
- d. To recommend that the Board establish such special Committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of any other Committee of the Board, or any individual director, to make such a recommendation at any time.

#### **D. Corporate Governance**

The following shall be the goals and responsibilities of the Committee with respect to corporate governance:

- a. To review periodically, and at least annually, the corporate governance principles adopted by the Board to assure that they are appropriate for the Company and that they comply with any applicable laws, regulations and listing standards, and to recommend any desirable changes to the Board.
- b. To consider any other corporate governance issues that arise from time to time and to develop appropriate recommendations for the Board.

#### **E. Evaluation of the Board and Management**

The Committee shall be responsible for overseeing the evaluation of the Board as a whole and the senior management of the Company, including the Chief Executive Officer of the Company. The Committee shall establish procedures to allow it to exercise this oversight function.

#### **V. Evaluation of the Committee**

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether the Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance.

The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

#### **VI. Investigations and Studies; Outside Advisers**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, such fees to be borne by the Company. The Committee shall have the obligation to report to the full Board on any implemented, ongoing or completed investigations or studies that have been undertaken by the Committee since the last meeting of the full Board.

#### **VII. Duties of the Chairperson**

The Chairperson of the Committee shall facilitate all meetings of the Committee and shall be responsible for approving the agenda that is to be followed. The Chairperson makes the report of the Committee to the full Board. In the Chair's absence, he or she may appoint a member of the committee as his or her designee for facilitating committee meetings and reporting to the full Board.

The Chairperson of the Committee shall facilitate all executive sessions of the Board during which the CEO is not present. The Chairperson of the Committee, in conjunction with the Chairperson of the Compensation Committee, communicates the results of the performance evaluation as completed by the Committee and the Compensation Committee. The Chairperson of the Committee, in conjunction with the Chairperson of the Compensation Committee communicates to the CEO information resulting from executive sessions of independent directors of the Board as appropriate. Both of these Chairpersons are charged with reporting back to the full Board, as appropriate, any relevant or appropriate comments of the CEO coming from either of these discussions.

Adopted by the Governance and Nominating Committee on February 11, 2004

Adopted by the Board of Directors of AMCORE Financial, Inc. on February 11, 2004