INDEPENDENT BANK CORPORATION
CORPORATE GOVERNANCE PRINCIPLES

Director Qualifications and Board Membership

The Board and management are committed to a Board made up of individuals who by occupation, background and experience are in a position to make a strong positive contribution to the Corporation and its shareholders. The Nominating and Corporate Governance Committee (the "Governance Committee") periodically reviews the size of the Board in light of the needs of the Corporation and the demands on individual Directors.

A majority of the members of the Board must be "independent directors," as that term is defined in the listing requirements of NASDAQ. Each year, the Board will affirmatively determine the independence of those members who qualify as an "independent director."

The Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board. This assessment includes considerations of skills, experience, commitment, degree of participation and diversity. The Governance Committee reviews the suitability of each Director who would be a candidate for election. Nominees for Directors are recommended to the Board by the Governance Committee. Also, the Company's Bylaws set forth the procedures for shareholders to make Director nominations.

The business of the Corporation is complex and the Board believes that term limits have the disadvantage of arbitrarily precluding the contribution of Directors who have developed insight and expertise while on the Board. Accordingly, continual service as a director is predicated on each member's performance and qualifications. That evaluation is based upon the evaluation review process described below.

A Director is required to submit his or her resignation at the end of the calendar year following the date when he or she reaches age 70. Also, the Governance Committee will review the appropriateness of continued service on the Board of any individual Directors who change the principal occupation they held since they were last elected to the Board. If the Governance Committee (excluding the interested Director, if applicable) finds that the individual Director's change in principal occupation will have a significant adverse impact on that Director's ability to serve on the Board, the affected Director will be required to submit his or her resignation.

Directors will advise the Chairman of the Board and the Chair of the Governance Committee upon the acceptance of an invitation to serve on another public company board. The Governance Committee will review whether such service would create a conflict of interest and review the Director's ability to fulfill his or her responsibilities as a Director.

<u>Director Responsibilities</u>

The basic responsibility of the Directors is to exercise their business judgment in good faith and to act in what they reasonably believe to be in the best interests of the Corporation and its shareholders. In discharging that obligation, Directors are entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors. In general, the Board of Directors is responsible for supervising and directing senior management of the Company in the interest and for the benefit of the Company's shareholders.

Directors are expected to attend at least 75% of meetings of the Board and Committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors well before the meeting, and Directors should review these materials in advance of the meeting.

Conduct of Meetings

The Board has a policy to generally separate the offices of Chairman and the Chief Executive Officer. During any period in which the offices of Chairman and Chief Executive Officer are not separated, the Board will appoint a Lead Outside Director. The primary role of the Lead Outside Director is to chair meetings or sessions of the independent directors of the Company, to communicate actions requested by the independent directors to management, and to serve as a liaison between the independent directors and the CEO and/or senior management personnel.

The Chairman, in consultation with the other members of the Board, determines the timing and duration of the meetings of the Board. The Board expects that at least six regular meetings at appropriate intervals on an annual basis are, in general, desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Corporation, or Board action may be taken by unanimous written consent.

The Chairman, in consultation with management, will establish the agenda for each Board meeting and preside at all meetings. Each Director is free to suggest the inclusion of items on the agenda and should advise the Chairman of such. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. In addition to regular Board meetings, the Board will have an annual meeting with management at which long range issues and strategies will be discussed. All Directors will keep the contents of Board and Committee meetings confidential. If the Chairman is to be absent at a Board meeting, he or she shall appoint another Director to chair the meeting in his or her absence.

The Directors will meet periodically (but at least twice a year) in executive session (without the presence of the Chief Executive Officer or any other member of the Corporation's senior management). The Lead Outside Director or Chair of the Governance Committee will preside at these meetings when the Chairman of the Board is not present. Director suggestions for agenda items for an executive session should be submitted in advance to the Chairman.

Board Committees

The Board will have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent Directors under applicable rules of the Nasdaq Stock Market. Also, each member of the Audit Committee must meet the independence standards imposed by the Sarbanes-Oxley Act of 2002 and the Nasdaq Stock Market.

The Board will have additional standing and temporary committees as deemed appropriate by the Board. The Board presently has no other standing or temporary committees. Committee members will be appointed on the basis of the responsibilities of the various committees and the skills, background and experience of individual Directors. Committee assignments will be recommended to the Board by the Governance Committee.

Each committee will have its own charter which will be reviewed and updated periodically. The charters will set forth the purposes, goals and responsibilities of the committees as well as any specific qualifications for committee membership. Any director who is not a member of a particular Committee may attend any Committee meeting.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee, including agenda items, will be furnished to all Directors.

The Board and each committee will have the power to hire at the Corporation's expense independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance.

Periodic Performance Evaluation

The Governance Committee will conduct an evaluation of the Board's performance at least once every three years based on criteria established by the Governance Committee to determine whether the Board is functioning effectively. Each committee will also conduct a periodic (at least once every three years) self-evaluation. The Governance Committee will receive comments from all Directors and report at least once every three years to the Board with an assessment of the Board's performance and will review and report on committee self-assessments. The assessments will focus on the Board's and Committee contributions to the Corporation and specifically focus on areas in which the Board or management believes that the Board or any committee could improve.

In addition, at least once every three years, the Board will conduct a review and evaluation of each member of the Board for the purpose of assessing, among other attributes, each director's (a) participation and contribution at meetings, (b) attendance, (c) availability and willingness to advise and consult fellow directors and management, and (d) overall value as a member of the Board.

The Governance Committee has the responsibility for ensuring that the foregoing reviews and evaluations are completed. All such reviews and evaluations are strictly confidential and such information will not be available to the public.

Director Access to Officers and Employees

The Board and management are committed to openness and candor in their interactions and in all information flowing between them.

Directors have full and free access to officers and employees of the Corporation and its subsidiaries. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, as appropriate, communicate significant issues to the Chief Executive Officer.

At the Chief Executive Officer's request, members of executive management regularly attend Board meetings.

CEO Evaluation and Compensation and Management Succession

In January or February of each year, the Compensation Committee will gather information concerning the Chief Executive Officer's performance for the prior year, as set forth in its charter and discuss it with the Board in executive session. The Compensation Committee will have set performance goals for the Chief Executive Officer and will evaluate the Chief Executive Officer's performance relative to these goals. The Compensation Committee will determine the Chief Executive Officer's compensation based on achievement of performance goals and Board input. The Chief Executive Officer may not be present during the deliberation or voting upon his or her compensation.

The Chief Executive Officer will report annually to the Compensation Committee and the Board on succession planning for top management. The Chief Executive Officer will review his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Director Compensation and Stock Ownership

The form and amount of Director compensation will be determined by the Compensation Committee, in accordance with its Charter, and then recommended to the Board. A Director is expected to own a minimum of $150,000 (in market value) of the Corporation's common stock within five years' of his or her initial election or appointment to the Board. One-half of a Director's compensation will be paid in cash and the other one-half will be paid on a deferred basis under the Corporation's Deferred Compensation and Stock Purchase Plan for Non-employee Directors (the "Plan") until that Director achieves the share ownership guidelines. Once a director has achieved the requisite level of share ownership, he or she then has a choice of receiving his or her compensation in cash or contributing such compensation to the Plan. A Director who has achieved initial compliance with the stock ownership objective will be deemed to be in continued compliance, irrespective of subsequent declines in the market price of the Corporation's common stock, provided that the Director does not dispose of any shares of Corporation common stock until the stock ownership objective is subsequently achieved.

Senior Management Stock Ownership

Senior management and the Board believe that senior executives (defined as the President/CEO, Executive Presidents and Senior Vice Presidents) should hold a significant amount of stock in the Corporation. Consequently, the Board believes that a significant portion of senior executive compensation should be made in some form of Corporation equity. The Board has established stock ownership guidelines for senior executives which require minimum stock ownership ranging from 50% of the senior executive's base salary to 200% of the senior executive's base salary as follows:

Title	Minimum Stock Ownership Requirement
Corporation Chief Executive Officer	200% of base salary
Corporation Executive Vice Presidents	125% of base salary
Bank Senior Vice Presidents	50% of base salary

The stock ownership requirement can be satisfied by the market value of shares held by an individual in one or more of the following ways:

- All shares owned directly by a senior executive or by members of his or her immediate family (household);

- Shares held in the Corporation's employee stock ownership plan.
- Unvested restricted stock units or restricted stock.
- Vested "in the money" stock options.
- All shares held in trust by a senior executive for which the executive maintains voting control and a pecuniary interest.

These stock ownership requirements vest on a pro-rata basis over five years commencing on the date of hire of the senior executive or date of promotion to the position. An officer who has achieved initial compliance with his or her ownership objective will be deemed to be in continued compliance, irrespective of subsequent declines in the market price of the Corporation's common stock, provided that the officer does not dispose of any shares of Corporation common stock until his or her stock ownership objective is subsequently achieved.

Conflicts of Interest

The Governance Committee will conduct an annual review of potential Director conflicts of interest. If a conflict of interest develops between a Director and the Corporation during the year, the Director will report the matter to the Governance Committee for evaluation.

For the purpose of minimizing the risk of actual or perceived conflicts of interest, any financial arrangement (other than director or employee compensation) between a director (including any member of a director's immediate family) and the Corporation or any of its affiliates or members of senior management or their affiliates for goods or services shall be subject to approval by the Board of Directors as a whole. If a Director has a personal interest in a matter before the Board, the Director shall disclose the interest to the full Board, excuse him or herself from participation in the discussion and shall not vote on the matter.

Director Orientation

All new Directors must participate in an Orientation Program, which should be conducted within three months of the time the new Director joins the Board. This orientation will include presentations by senior management to familiarize new Directors with the Corporation’s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Corporate Governance Principles and Code of Ethics, its principal officers, and its internal and independent auditors. All continuing Directors are also invited to attend the Orientation Programs.

Members of the Board are encouraged to attend and participate in director training and continuing education programs. Provided that a director receives the prior approval of the Chairman of the Board or the Chairman of the Governance Committee to attend such a training or continuing education program, the cost of that program will be reimbursed by the Corporation.

Board’s Interaction with Institutional Investors, the Press, Customers, and Other Constituencies of the Corporation

The Board believes that management and others within the Corporation should speak for the Corporation. Individual Directors may, on occasion, receive requests for comment from the press and various outside constituencies. It is expected that Directors will do so only with the knowledge and prior approval of management.

Indemnification

The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and Officers' Liability Insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, bylaws and any indemnification agreements, and to exculpation as provided by state law and the Corporation's Restated Articles of Incorporation.

Periodic Review of these Principles

The operation of the Board is a dynamic and evolving process. Accordingly, these Principles will be reviewed periodically by the Governance Committee and any recommended revisions will be submitted to the full Board for approval.