FTI CONSULTING INC
Form 8-K
February 21, 2006

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2006

FTI CONSULTING, INC.

(Exact Name of Registrant as Specified in Charter)

Maryland	**001-14875**	**52-1261113**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

900 Bestgate Road, Suite 100, Annapolis, Maryland 21401

(Address of principal executive offices) (Zip Code)

Registrant s telephone number, including area code: (410) 224-8770

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. Regulation FD Disclosure

On February 15, 2006, FTI Consulting, Inc. (FTI) held a conference call relating to the financial results for the fourth quarter and year ended December 31, 2005 of FTI and its business segments and other information, including our outlook for 2006. The full text of the Transcript of the conference call is set forth in Exhibit 99.1 hereto.

The Transcript contains some discussion regarding FTI s earnings before interest, taxes, depreciation and amortization (EBITDA) and EBITDA by business segment, and EBITDA before and after one time charges (Adjusted EBITDA). Although EBITDA and Adjusted EBITDA are not measures of financial condition or performance determined in accordance with generally accepted accounting principles, FTI believes that they are useful operating performance measures for evaluating our results of operations from period to period and as compared to our competitors. EBITDA is a common alternative measure of operating performance used by investors, financial analysts and rating agencies to value and compare the financial performance of companies in our industry. FTI uses EBITDA to evaluate and compare the operating performances of its segments and it is one of the primary measures used to determine employee bonuses. FTI also uses EBITDA to value businesses it considers acquiring. EBITDA and Adjusted EBITDA are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. We believe that EBITDA and Adjusted EBITDA as supplemental financial measures are also indicative of FTI s capacity to incur and service debt and thereby provides additional useful information to investors regarding FTI s financial condition and results of operations. EBITDA and Adjusted EBITDA for purposes of the covenants set forth in our senior secured credit facility are not calculated in the same manner as calculated for other purposes.

The information included herein, including Exhibit 99.1 furnished herewith, shall be deemed not to be filed for purposes of Section 18 of the Securities Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits

(c) *Exhibits*.

99.1 Transcript of February 15, 2006, conference call of FTI Consulting, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, FTI has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FTI CONSULTING, INC.

Dated: February 21, 2006

By: /s/ THEODORE I. PINCUS

Theodore I. Pincus
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Transcript of February 15, 2006, conference call of FTI Consulting, Inc.

eft:8pt;text-indent:-8pt;"> Supplemental schedule of non-cash investing and financing activities:

Transfer to foreclosed real estate

$1,119 $6,255

The accompanying notes are an integral part of the unaudited consolidated financial statements.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies

The accompanying financial statements are prepared in accordance with generally accepted accounting principles and conform to general practices within the banking industry. A summary of the significant accounting policies follows.

Nature of Operations

Standard Bancshares, Inc. (the "Company") is a bank holding company whose principal activity is the ownership and management of its wholly-owned subsidiary Standard Bank and Trust Company (the "Bank"). The Bank generates commercial, mortgage and consumer loans and receives deposits from customers located primarily in the Chicago Metropolitan, Northwest Indiana and surrounding areas. The Bank operates under a state bank charter and provides full banking services. As a state bank, the Bank is subject to regulation by the Illinois Department of Financial and Professional Regulation and the Federal Deposit Insurance Corporation. The Bank has two wholly-owned subsidiaries. One of those subsidiaries is an insurance agency and the other holds other real estate owned.

Principles of Consolidation

The consolidated financial statements include the accounts of Standard Bancshares, Inc., the Bank and its wholly-owned subsidiaries, after elimination of all material intercompany transactions and balances.

Use of Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ. The allowance for loan losses, valuation of other real estate owned, deferred tax assets, and fair values of financial instruments are particularly subject to change.

Investment Securities

Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Securities held-to-maturity are carried at amortized cost. The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the period to maturity.

Debt securities not classified as held-to-maturity are classified as available-for-sale. Securities available-for-sale are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains (losses) on securities available-for-sale are included in other income (expense) and, when applicable, are reported as a reclassification adjustment, net of tax, in other comprehensive income. Gains and losses on sales of securities are determined on the specific-identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings.

For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of impairment is recognized through earnings.

Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of the aggregate cost, or fair value, as determined by outstanding commitments from investors.

Mortgage loans held for sale are generally sold with servicing rights released. Prior to January 2016, loans held for sale were sold with servicing retained. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, less origination fees net of costs and an allowance for loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income over the respective term of the loan using the level-yield method without anticipating prepayments.

Interest income on mortgage and commercial loans is generally discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in the process of collection. Consumer loans are typically reviewed for charge-off no later than 120 days past due. Past due status is based on the contractual terms of the loans. Nonaccrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Bank grants commercial and residential mortgage, commercial and consumer loans to customers. A substantial portion of the loan portfolio is represented by loans to commercial businesses, generally secured by business assets and real estate, throughout the Chicago Metropolitan, Northwest

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

Indiana and surrounding areas. The ability of the Company's debtors to honor their contracts is dependent on the real estate and general economic conditions in this area.

Allowance for Credit Losses

The allowance for credit losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in the light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. The allowance for loan losses is a valuation allowance for probable incurred credit losses, increased by the provision for loan losses and recoveries, and decreased by charge-off of loans. Management believes the estimated allowance for loan losses to be adequate based on known and inherent risks in the portfolio, past loan loss experience, information about specific borrower situations, estimated collateral values, economic conditions and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged-off. Loan losses are charged against the allowance when management believes the uncollectability of the loan balance is confirmed.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. The general component covers non-impaired loans and is based on a historical migration analysis adjusted for current qualitative environmental factors. The Company maintains a loss migration analysis that tracks loan losses and recoveries based on loan type as well as the loan risk grade assignment for commercial loans. The Company uses a migration analysis system that segments the portfolio into six categories, incorporates losses by risk grade, and the impact of changes in risk grade. The system looks at a charge-off and the risk grade of that loan during the prior twelve quarters (prior to June 2015 the look-back was eight quarters) and then allocates a portion of the loss to the various risk grades. Beginning in June 2015, the system incorporates charge-offs during the last two, twelve quarter periods. Prior to June 2015, the system incorporated charge-offs during the last three, eight quarter periods. These historical loss percentages are adjusted (both upwards and downwards) for certain qualitative environmental factors, including economic trends, credit quality trends, concentration risks, quality of loan review, changes in staff, and external factors and other considerations. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is impaired when, based on current information and events, it is believed to be probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified with no benefit to the Company received and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings ("TDR's") and classified as impaired. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrowers prior payment record, and the amount of the shortfall in relation to the

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

principal and interest owned. The Company evaluates impaired loans individually to determine whether or not interest continues to be accrued.

All loans with relationship balances exceeding $250,000 and an internal risk grading of 6 or worse are evaluated for impairment. Generally all loans over $250,000 and on non-accrual will be considered impaired. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing interest rate or at the fair value of collateral, less estimated costs to sell, if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans, such as consumer and residential real estate loans are collectively evaluated for impairment and, accordingly, they are not separately identified for impairment disclosures.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Bank Premises and Equipment

Land is carried at cost. Other premises and equipment are carried at cost net of accumulated depreciation. Depreciation is computed using the straight-line method based principally on the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized. Gains and losses on dispositions are included in current operations.

Mortgage Servicing Rights

When mortgage loans are sold with servicing retained, servicing rights are initially recorded at fair value with the income statement effect recorded as income on the sale of loans. Fair value is based on market prices for comparable mortgage servicing contracts, when available or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

Servicing rights are evaluated for impairment based upon the fair value estimate of the rights as compared to the carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics of the underlying loans. Such characteristics include loan type, loan size, interest rate, date of origination, and loan term. Impairment is recognized through a valuation allowance to the extent that fair value is less than the carrying amount. If the Company later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income. The fair value of servicing rights are subject to significant fluctuation as a result of changes in estimated and actual prepayment speeds and default rates and losses. For the year ended December 31, 2015, mortgage servicing rights were determined not to be impaired. The Company sold its servicing rights in the first quarter 2016; no servicing rights were outstanding as of June 30, 2016.

Servicing fee income, which is reported on the income statement as secondary mortgage income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal; or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against secondary mortgage income. Servicing fees totaled $86 and $494 for the six months ended June 30, 2016 and 2015, respectively. Late fees and ancillary fees related to loan servicing are not material.

Other Real Estate Owned

Real estate properties acquired through or in lieu of loan foreclosures are initially recorded at the fair value less estimated selling cost at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for credit losses. After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Impairment losses on property to be held and used are measured as the amount by which the carrying amount of a property exceeds its fair value. Costs of significant property improvements are capitalized, whereas costs relating to holding property are expensed.

Federal Home Loan Bank (FHLB) Stock

The Bank is a member of the FHLB Chicago. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. When declared, cash and stock dividends are recorded as income.

Bank Owned Life Insurance

The Company has purchased life insurance policies on certain key executives and officers. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets with definite useful lives consist of core deposits acquired and are amortized over their estimated useful life of fifteen years to their estimated residual values.

Derivatives

ASC Topic 815 requires that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. The guidance requires that changes in the derivatives fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company provides customers with interest rate swap transactions and offsets the transactions with interest rate swap transactions with inter-bank dealer counterparties. Derivative contracts entered into by the Company are limited to those that are treated as non-hedge derivative instruments. Changes in the fair value of these derivatives are reported in earnings, as noninterest income.

Mortgage Banking Activities

Commitments to fund individual mortgage loans (interest rate locks) to be sold into the secondary market are taken out on both a "best efforts" and "mandatory" basis. Mandatory commitments which are not executed are subject to potential "pair off" fees which reflect the changes in the market value of these commitments should unfavorable rate changes occur. The Bank has had a sufficient "best efforts" commitment pipeline to satisfy any potential fallout of individual mandatory commitments. Any "pair off" fees incurred are not material.

Stock-Based Compensation

Compensation cost is recognized for stock options and awards issued to employees, based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options. Compensation cost is recognized over the required service period, generally defined as the vesting period.

Treasury Stock

Treasury stock acquired is recorded at cost and is carried as a reduction of shareholders' equity in the Consolidated Balance Sheets. The difference between the consideration received on reissuance and the carry value is charged or credited to additional paid-in capital.

Earnings Per Share

Basic earnings per share is based on weighted-average common shares outstanding of 48,416,433 and 48,531,744 for the periods ended June 30, 2016 and 2015, respectively. Diluted earnings per share assumes the issuance of any potentially dilutive common shares using the treasury stock method.

Income Taxes

Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

between the basis of the allowance for credit losses, other real estate owned, non-accrual interest and State net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The Company files consolidated income tax returns with its subsidiaries.

The Company recognizes a tax position as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, including resolution of related appeals or litigation processes. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company recognizes interest and penalties related to income tax matters in income tax expense.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale which are also recognized as separate components of equity.

Trust Assets and Fees

Assets held in a fiduciary or agency capacity are not included in the consolidated balance sheets, since such items are not assets of the Company. Income from trust fees is recorded when received. This income does not differ materially from trust fees computed on an accrual basis.

Cash Flows

The Company considers all cash and due from banks, cash advanced under ATM funding agreements, interest-bearing deposits in other banks, and federal funds sold to be cash equivalents for the purposes of the statements of cash flows.

Reclassification

Certain reclassifications have been made in the prior year financial statements to conform with the current year presentation, with no effect on net income or shareholders' equity.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In May 2014, the FASB issued an update (ASU No. 2014-09, *Revenue from Contracts with Customers*) creating FASB Topic 606, *Revenue from Contracts with Customers*. The guidance in this update affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (for example, insurance contracts or lease contracts). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides steps to follow to achieve the core principle. An entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Qualitative and quantitative information is required about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The amendments in this update become effective for annual periods and interim periods within those annual periods beginning after December 15, 2017. Management is currently evaluating the impact of adopting the new guidance on the Company's financial condition and results of operations.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which makes limited amendments to the guidance on the classification and measurement of financial instruments. The new standard revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments require equity investments to be measured at fair value, with changes in fair value recognized in net income. For financial liabilities that an entity has elected to measure at fair value in accordance with the fair value, the amendments require an entity to present separately in other comprehensive income the portion of the change in fair value that results from a change in instrument-specific credit risk. The guidance is effective for annual and interim periods beginning after December 15, 2017. Upon adoption, entities will be required to make a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. Adoption of this standard is not expected to have a material effect on the Company's financial condition or results of operations.

In February 2016, the FASB issued ASU 2016-02 (Subtopic 842), *Leases*, which requires companies that lease assets ("lessees") to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new standard will also require additional disclosures to include qualitative and quantitative information about amounts presented in the financial statements. The guidance is effective for annual and interim periods beginning after December 15, 2018. Management is evaluating the new guidance and its impact on the Company's financial condition and results of operations.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments Credit Losses* (Topic 326)*: Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). These amendments require the measurement of all expected credit losses for financial assets held at the reporting date based on

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 1 Summary of Significant Accounting Policies (Continued)

historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. ASU 2016-13 is effective for SEC filers for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 (i.e., January 1, 2020, for calendar year entities). Early application will be permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Management is currently evaluating the impact that the standard will have on the Company's financial condition and results of operations.

Subsequent Events

Management reviewed subsequent events for recognition and disclosure through September 8, 2016, which is the date these interim financial statements were available to be issued.

Note 2 Cash and Cash Equivalents

The Company's banking subsidiary is required by the Federal Reserve Bank to maintain certain average cash reserve balances. The required reserve balance at June 30, 2016 and December 31, 2015 was $22,184 and $21,286, respectively.

The nature of the Company's business requires that it maintain amounts due from banks, federal funds sold and interest-bearing deposits in other banks which, at times, may exceed federally insured limits. Management monitors these correspondent relationships and the Company has not experienced any losses in such accounts.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 3 Investment Securities

Carrying amounts and fair values of investment securities were as follows:

	June 30, 2016				December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held to maturity:								
Mortgage-backed securities residential	$ 128	$ 7	$	$ 135	$ 163	$ 10	$	$ 173
States and political subdivisions	5,233	8	(4)	5,237	3,028			3,028
Trust preferred security	1,404		(286)	1,118	1,400		(313)	1,087
Total held-to-maturity	6,765	15	(290)	6,490	4,591	10	(313)	4,288
Available for sale:								
U.S. government-sponsored entities and agencies	203,649	1,593	(26)	205,216	$ 184,566	281	(302)	184,545
Mortgage-backed securities residential	2,734	201		2,935	2,926	173		3,099
Equity securities	4,235	332		4,567	4,235	174		4,409
Total available-for-sale	210,618	2,126	(26)	212,718	191,727	628	(302)	192,053
Total investment securities	$ 217,383	$ 2,141	$ (316)	$ 219,208	$ 196,318	$ 638	$ (615)	$ 196,341

The amortized cost and fair value of debt securities at June 30, 2016, by contractual maturity, are shown on the following page. Maturities may differ from contractual maturities in mortgage-backed securities residential because the mortgages underlying the securities may be called or repaid without any penalties. Equity securities have no maturity, therefore, these securities are not included in the maturity categories in the following summary.

	Securities Held-to-maturity		Securities Available-for-sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Amounts maturing in:				
One year or less	$ 2,363	$ 2,363	$ 16,574	$ 16,629
After one year through five years	2,520	2,523	187,075	188,587
After five years through ten years	350	351		
Over ten years	1,404	1,118		
Mortgage-backed residential	128	135	2,734	2,935
Equity securities			4,235	4,567
Total	$ 6,765	$ 6,490	$ 210,618	$ 212,718

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 3 Investment Securities (Continued)

Equity securities include $4,046 of Community Reinvestment Act (CRA) eligible mutual funds and $521 in Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) preferred stock.

Investment securities with a carrying value of $147,954 and $141,840 at June 30, 2016 and December 31, 2015, respectively, were pledged to secure public deposits, derivative exposure, and for other purposes required or permitted by law.

There were no sales of securities for the six month periods ended June 30, 2016 and 2015.

Information pertaining to securities with gross unrealized losses at June 30, 2016 and December 31, 2015 aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than 12 Months		12 Months or Greater		Total	
June 30, 2016	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
Held-to-maturity:						
State and political subdivisions	$ 1,486	$ (4)	$	$	$ 1,486	$ (4)
Trust preferred security			1,118	(286)	1,118	(286)
Available-for-sale:						
U.S. government-sponsored entities and agencies	$ 9,967	$ (26)	$	$	$ 9,967	$ (26)

	Less Than 12 Months		12 Months or Greater		Total	
December 31, 2015	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
Held-to-maturity:						
Trust preferred security	$	$	$ 1,087	$ (313)	$ 1,087	$ (313)
Available-for-sale:						
U.S. government-sponsored entities and agencies	$ 69,654	$ (302)	$	$	$ 69,654	$ (302)

Management evaluates securities for other-than-temporary impairment on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

The Company had seven securities in a loss position at June 30, 2016. One security is a trust preferred security with an amortized cost of $1,404 and an unrealized loss of $286. Two of the securities are government-sponsored entity and agency securities with an amortized cost of $9,993 and

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 3 Investment Securities (Continued)

an unrealized loss of $26, and four of the securities are issued by state and political subdivisions with an amortized cost of $1,490 and an unrealized loss of $4.

The unrealized losses on the trust preferred security, state and political subdivisions, and government-sponsored entities and agencies were related to changes in interest rates and illiquidity in the financial services industry. Management has evaluated the prospects of the issuer in relation to the severity and duration of the impairment. Based on that evaluation and management's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, management does not consider those investments to be other-than-temporarily impaired at June 30, 2016.

Note 4 Loans

	June 30, 2016	December 31, 2015
Construction and land development	$ 122,845	$ 139,566
Commercial	539,718	534,399
Commercial real estate non-owner occupied	353,884	397,505
Commercial real estate owner occupied	584,975	586,933
Residential real estate	131,317	129,750
Consumer	66,922	71,294
Total	1,799,661	1,859,447
Origination fees net of costs	(1,015)	(1,366)
Allowance for credit losses	(18,701)	(22,740)
Loans, net	$ 1,779,945	$ 1,835,341

Loan Classifications

Construction and land development loans are generally based upon estimates of the cost and value associated with the construction of the property. Construction loans often involve the disbursement of substantial funds with repayment primarily dependent upon the success of the completed project. Sources of repayment for these types of loans may be permanent loans from long-term lenders or sales of developed property. Generally, these loans have a higher risk profile than other real estate loans due to their repayment being sensitive to real estate values, interest rate changes, governmental regulations of real property, demand and supply of similar projects, the availability of long term financing, and changes in general economic condition.

Commercial loans are primarily lines of credit and equipment loans that are secured by accounts receivable, inventory, fixed assets, and sometimes with real estate. These loans are repaid through the operating cash flow of the company. The increase in commercial loans was due to generally improved business activity resulting from the stabilizing economy and our focus on generating growth in this category of lending in order to better diversify our commercial portfolio. Commercial loans are underwritten after evaluating and understanding the borrower's ability to operate its business.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

Underwriting standards are designed to ensure repayment of loans and mitigate loss exposure. As part of the underwriting process, the Company examines current cash flows to determine the ability of the borrower to repay its obligations as agreed. Commercial loans are primarily made based on the identified cash flows of the borrowers and secondarily on the underlying collateral provided by the borrower.

Commercial real estate loans consisted primarily of loans to business owners and developers/investors in owner and non-owner occupied commercial properties. The Company classifies the properties into owner-occupied which represents loans where more than 50% of the rental income is from the owner of the property or a related company and non-owner occupied represents loans where less than 50% of the rental income is from the owner of the property. Non-owner occupied can include 5-unit or more apartment buildings, retail, office buildings, hotels, warehouse, and industrial properties. Repayment will come from the rental income paid by the tenants or owner. Commercial real estate loans are subject to underwriting standards and processes similar to commercial loans, in addition to those standards and processes specific to real estate. Commercial real estate lending typically involves higher loan principal amounts, and the repayment of the loans is largely dependent upon the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be more adversely affected by conditions in the real estate market or in the general economy. The properties securing the Company's commercial real estate portfolio are diverse in terms of type and geographic location within our market area. Management monitors and evaluates real estate loans based on cash flow, collateral, location, and risk grade criteria.

The residential real estate portfolio consists of 1-4 family, first lien loans secured by the borrower's home and are generally within our market area. Any loans outside our market area are to customers with homes or businesses in our market areas.

The consumer loans consist of loans to individuals for consumer purposes, home equity loans, home equity lines of credit, and second mortgages. Consumer loans are centrally underwritten utilizing various loan policy guidelines that take into consideration the borrower's ability to repay and the collateral offered.

At June 30, 2016 and December 31, 2015, certain officers, directors, and companies in which they have beneficial ownership were indebted to the Bank in the aggregate amount of $27,821 and $26,690 respectively. During the first six months of 2016 and the year ended December 31, 2015, no new loans were made to such related parties. For the six months ended June 30, 2016, net advances on existing loans amounted to $1,131. For the six months ended June 30, 2015, net repayments on existing loans amounted to $1,614.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

Allowance for Credit Losses

Following is a summary of the activity in the allowance for credit losses for the six months ended June 30, 2016 and 2015:

June 30, 2016	Construction and Land Development	Commercial	Commercial Real Estate Non-owner Occupied	Commercial Real Estate Owner Occupied	Residential Real Estate	Consumer	Total
Allowance for loan losses:							
Beginning balance	$ 4,107	$ 5,277	$ 5,911	$ 3,530	$ 2,029	$ 1,886	$ 22,740
Provision for credit losses	1,215	3,519	(274)	(414)	13	(159)	3,900
Loans charged-off	(4,488)	(3,217)	(65)	(183)	(104)	(125)	(8,182)
Recoveries	38	75	4	15	16	95	243
Total ending allowance balance	$ 872	$ 5,654	$ 5,576	$ 2,948	$ 1,954	$ 1,697	$ 18,701

June 30, 2015	Construction and Land Development	Commercial	Commercial Real Estate Non-owner Occupied	Commercial Real Estate Owner Occupied	Residential Real Estate	Consumer	Total
Allowance for loan losses:							
Beginning balance	$ 6,423	$ 2,428	$ 4,791	$ 5,965	$ 3,323	$ 3,390	$ 26,320
Provision for credit losses	(1,879)	1,860	3,982	(982)	183	236	3,400
Loans charged-off	(2,285)	(627)	(687)	(161)	(512)	(1,087)	(5,359)
Recoveries	359	41	30	390	23	17	860
Total ending allowance balance	$ 2,618	$ 3,702	$ 8,116	$ 5,212	$ 3,017	$ 2,556	$ 25,221

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

The following tables present the balance of the allowance for loan losses and the recorded investment in loans by portfolio segment and based on impairment method.

June 30, 2016	Construction and Land Development	Commercial	Commercial Real Estate Non-owner Occupied	Commercial Real Estate Owner Occupied	Residential Real Estate	Consumer	Total
Allowance for loan losses:							
Ending balance individually evaluated for impairment	$ 238	$ 66	$ 276	$ 1,317	$ 538	$ 486	$ 2,921
Ending balance collectively evaluated for impairment	634	5,588	5,300	1,631	1,416	1,211	15,780
Total ending allowance	$ 872	$ 5,654	$ 5,576	$ 2,948	$ 1,954	$ 1,697	$ 18,701
Loans:							
Ending balance individually evaluated for impairment	$ 5,747	$ 1,608	$ 12,290	$ 9,485	$ 3,738	$ 2,237	$ 35,105
Ending balance collectively evaluated for impairment	117,098	538,110	341,594	575,490	127,579	64,685	1,764,556
Total ending loan balances	$ 122,845	$ 539,718	$ 353,884	$ 584,975	$ 131,317	$ 66,922	$ 1,799,661

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

December 31, 2015	Construction and Land Development	Commercial	Commercial Real Estate Non-owner Occupied	Commercial Real Estate Owner Occupied	Residential Real Estate	Consumer	Total
Allowance for loan losses:							
Ending balance individually evaluated for impairment	$ 3,553	$ 3,227	$ 107	$ 1,537	$ 615	$ 536	$ 9,575
Ending balance collectively evaluated for impairment	554	2,050	5,804	1,993	1,414	1,350	13,165
Total ending allowance	$ 4,107	$ 5,277	$ 5,911	$ 3,530	$ 2,029	$ 1,886	$ 22,740
Loans:							
Ending balance individually evaluated for impairment	$ 9,763	$ 6,361	$ 13,385	$ 6,322	$ 4,620	$ 2,354	$ 42,805
Ending balance collectively evaluated for impairment	129,803	528,038	384,120	580,611	125,130	68,940	1,816,642
Total ending loan balances	$ 139,566	$ 534,399	$ 397,505	$ 586,933	$ 129,750	$ 71,294	$ 1,859,447

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

The following tables present loans individually evaluated for impairment by class of loans at June 30, 2016 and December 31, 2015:

June 30, 2016	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment
With no related allowance recorded:				
Construction and land development	$ 9,236	$ 4,198	$	$ 3,568
Commercial				42
Commercial real estate non-owner occupied	11,409	9,244		10,972
Commercial real estate owner occupied	3,799	3,736		1,419
Residential real estate	1,201	1,184		1,554
Consumer	1,252	902		943
Subtotal	$ 26,897	$ 19,264	$	$ 18,498
With an allowance recorded:				
Construction and land development	$ 2,639	$ 1,549	$ 238	$ 3,226
Commercial	1,649	1,608	66	4,735
Commercial real estate non-owner occupied	4,419	3,046	276	1,700
Commercial real estate owner occupied	5,749	5,749	1,317	5,906
Residential real estate	2,627	2,554	538	2,763
Consumer	1,421	1,335	486	1,341
Subtotal	$ 18,504	$ 15,841	$ 2,921	$ 19,671
Construction and land development	$ 11,875	$ 5,747	$ 238	$ 6,794
Commercial	1,649	1,608	66	4,777
Commercial real estate non-owner occupied	15,828	12,290	276	12,672
Commercial real estate owner occupied	9,548	9,485	1,317	7,325
Residential real estate	3,828	3,738	538	4,317
Consumer	2,673	2,237	486	2,284
Total	$ 45,401	$ 35,105	$ 2,921	$ 38,169

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

December 31, 2015	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment
With no related allowance recorded:				
Construction and land development	$ 3,436	$ 1,707	$	$ 2,056
Commercial	103	63		21
Commercial real estate non-owner occupied	16,098	12,261		10,150
Commercial real estate owner occupied	522	522		731
Residential real estate	1,928	1,737		1,750
Consumer	1,356	1,006		1,039
Subtotal	$ 23,443	$ 17,296	$	$ 15,747
With an allowance recorded:				
Construction and land development	$ 8,056	$ 8,056	$ 3,553	$ 10,150
Commercial	6,298	6,298	3,227	1,991
Commercial real estate non-owner occupied	1,773	1,124	107	2,798
Commercial real estate owner occupied	5,800	5,800	1,537	7,007
Residential real estate	2,956	2,883	615	3,558
Consumer	1,434	1,348	536	2,017
Subtotal	$ 26,317	$ 25,509	$ 9,575	$ 27,521
Construction and land development	$ 11,492	$ 9,763	$ 3,553	$ 12,206
Commercial	6,401	6,361	3,227	2,012
Commercial real estate non-owner occupied	17,871	13,385	107	12,948
Commercial real estate owner occupied	6,322	6,322	1,537	7,738
Residential real estate	4,884	4,620	615	5,308
Consumer	2,790	2,354	536	3,056
Total	$ 49,760	$ 42,805	$ 9,575	$ 43,268

Interest income recognized includes interest accrued and collected on the outstanding balances of accruing impaired loans as well as interest cash collections on non-accruing loans and impaired loans for which the ultimate collectability of principal is not certain.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

The following is an analysis of the age of the recorded investment in past due and nonaccrual loans:

June 30, 2016	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due and Accruing	Non-accrual	Total Past Due	Current Loans	Total
Construction and land development	$ 532	$ 102	$	$ 5,067	$ 5,701	$ 117,144	$ 122,845
Commercial	607	933	122	1,608	3,270	$ 536,448	539,718
Commercial real estate non-owner occupied	559	189		3,544	4,292	$ 349,592	353,884
Commercial real estate owner occupied	942	958	438	8,829	11,167	$ 573,808	584,975
Residential real estate	416	1,182		3,266	4,864	$ 126,453	131,317
Consumer	465	131	327	1,480	2,403	$ 64,519	66,922
Total	$ 3,521	$ 3,495	$ 887	$ 23,794	$ 31,697	$ 1,767,964	$ 1,799,661

December 31, 2015	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due and Accruing	Non-accrual	Total Past Due	Current Loans	Total
Construction and land development	$	$	$	$ 9,075	$ 9,075	$ 130,491	$ 139,566
Commercial	1,297	44	38	6,362	7,741	526,658	534,399
Commercial real estate non-owner occupied		275		4,545	4,820	392,685	397,505
Commercial real estate owner occupied	1,044	155	167	5,514	6,880	580,053	586,933
Residential real estate	583	841		4,291	5,715	124,035	129,750
Consumer	682	22	490	1,632	2,826	68,468	71,294
Total	$ 3,606	$ 1,337	$ 695	$ 31,419	$ 37,057	$ 1,822,390	$ 1,859,447

Credit Quality Indicators

The Company categorized its non-homogenous loans into risk categories based on relevant information about the ability of borrowers to service the debt such as, among other factors: current financial information; historical payment experience; credit documentation; public information; and current economic trends. The Company analyzes loans individually by classifying the loan as to credit risk. This analysis is

done annually on a loan by loan basis. The Company uses the following definitions for classified risk ratings:

Pass: Loans classified as pass are considered to be performing loans that have adequate cash flow and/or collateral based upon the Company's underwriting process.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard: Loans designated as substandard are inadequately protected by the current net worth and paying capacity of the obligor or the collateral pledged, if any. Loans have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Performing Not Rated: Loans classified as performing not rated are considered to be performing loans at the time of underwriting, but historically ones in which we do not obtain updated financial information after the loans are originated. These are generally consumer loans, first mortgage home loans, and home equity loans.

Loans not meeting the criteria above are analyzed individually as part of the above described process and are considered to be unclassified loans. Based on the most recent analysis performed, the loan risk classifications are as follows:

June 30, 2016	Pass	Special Mention	Substandard	Performing Not Rated	Total
Construction and land development	$ 115,829	$ 1,949	$ 5,067	$	$ 122,845
Commercial	533,363	6,023	332		539,718
Commercial real estate non-owner occupied	314,418	32,385	7,081		353,884
Commercial real estate owner occupied	566,305	8,068	10,602		584,975
Residential real estate	34,340	905	4,123	91,949	131,317
Consumer	8,599	111	2,143	56,069	66,922
Total	$ 1,572,854	$ 49,441	$ 29,348	$ 148,018	$ 1,799,661

December 31, 2015	Pass	Special Mention	Substandard	Performing Not Rated	Total
Construction and land development	$ 124,871	$ 4,966	$ 9,729	$	$ 139,566
Commercial	522,829	4,938	6,632		534,399
Commercial real estate non-owner occupied	373,498	16,338	7,669		397,505
Commercial real estate owner occupied	573,466	5,441	8,026		586,933
Residential real estate	36,965	1,011	5,712	86,062	129,750
Consumer	8,449	143	2,402	60,300	71,294
Total	$ 1,640,078	$ 32,837	$ 40,170	$ 146,362	$ 1,859,447

The Bank considers the performance of the loan portfolio and its impact on the allowance for loan losses. For residential and consumer loan classes, the Bank evaluates credit quality based on the payment and aging status of the loan. Payment status is reviewed on a quarterly basis with respect to determining adequacy of the allowance for loan losses.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

Troubled Debt Restructurings (TDR)

Loans classified as TDR's totaled $19,027 as of June 30, 2016, of which $14,235 were accruing and $4,792 were on non-accrual. Loans classified as TDR's totaled $15,060 as of December 31, 2015, of which $13,896 were performing and $1,164 were on non-accrual.

The Bank has allocated $2,164 and $1,008 in specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of June 30, 2016 and December 31, 2015. The Bank has committed to lend additional amounts of $468 and $205 as of June 30, 2016 and December 31, 2015 to customers with outstanding loans that are considered to be troubled debt restructurings. These loans involved the restructuring of terms to allow customers to mitigate the risk of foreclosure or default by meeting a lower loan payment requirement based upon their current cash flow. These may also include loans that renewed at existing contractual rates, but below market rates for comparable credit. For commercial loans, these modifications typically include a lowering of the interest rate on the loan. In some cases, the modification will include separating the note into two notes with the first note structured to be supported by current cash flows and collateral, and the second note made for the remaining unsecured debt. The second note is charged off immediately and collected only after the first note is paid in full. This modification type is commonly referred to as an A-B note structure. For consumer mortgage loans, the restructuring typically includes a lowering of the interest rate to provide payment and cash flow relief. For each restructuring, a comprehensive credit underwriting analysis of the borrower's financial condition and prospects of repayment under the revised terms is performed to assess whether the structure can be successful and that cash flows will be sufficient to support the restructured debt. An analysis is also performed to determine whether the restructured loan should be on accrual status. Generally if the loan is on accrual at the time of restructure, it will remain on accrual after the restructuring. In some cases, a nonaccrual loan may be placed on accrual at restructuring if the loan's actual payment history demonstrates it would have cash flowed under the restructured terms. After six consecutive payments under the restructured terms, a nonaccrual restructured loan is reviewed for possible upgrade to accruing status.

As with other impaired loans, an allowance for loan loss is estimated for each TDR based on the most likely source of repayment for each loan. For impaired loans secured by real estate that are collateral dependent, the allowance is computed based on the fair value of the underlying collateral. For impaired loans where repayment is expected from cash flows from business operations, the allowance is computed based on a discounted cash flow computation.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

The following table presents loans by class modified as troubled debt restructurings that occurred during the six months ended June 30, 2016 and 2015:

	Number of loans	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment
2016			
Commercial real estate owner occupied	4	$ 4,075	$ 4,503
Total	4	$ 4,075	$ 4,503
2015			
Consumer	1	$ 348	$ 348
Total	1	$ 348	$ 348

The troubled debt restructurings modified in 2016 and 2015 described above increased the allowance for credit losses by $1,266 and $55 and did not result in any post-modification charge offs during the six months ended June 30, 2016 and 2015, respectively.

The following table presents troubled debt restructurings by class and type of modification that occurred during the six months ended June 30, 2016 and 2015:

	Rate Reduction	To Pay Taxes	Rate Reduction & Advance of Funds	Interest Only Period	Total
2016					
Commercial real estate owner occupied	$	$ 428	$ 4,075	$	$ 4,503
Total	$	$ 428	$ 4,075	$	$ 4,503

	Rate Reduction	To Pay Taxes	Rate Reduction & Advance of Funds	Interest Only Period	Total
2015					
Consumer	$ 348	$	$	$	$ 348

Total	$ 348	$	$	$ 348

There were no troubled debt restructurings for which there was a payment default for the six months following the modification for the period ended June 30, 2016. The following table presents

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 4 Loans (Continued)

loans by class modified as troubled debt restructurings for which there was payment default following the modification during the six months ended June 30, 2015.

2015	Number of loans	Recorded Investment
Commercial real estate		
Non-owner occupied	1	$ 107
Consumer	1	81
Total	2	$ 188

The troubled debt restructurings that subsequently defaulted in 2015 presented above increased the allowance for credit losses by $81 during the six months ended June 30, 2015. Troubled debt restructurings resulted in $23 and $81 of charge offs during the six months ended June 30, 2016 and 2015, respectively.

Note 5 Mortgage Servicing Rights

Following is a summary of the activity for mortgage servicing rights for the six months ended June 30:

	2016	2015
Beginning balance	$ 2,394	$ 2,435
Costs capitalized	52	346
Accumulated amortization	(62)	(377)
Proceeds from sale	(2,630)	
Gain on sale	246	
Ending balance	$	$ 2,404

In October 2015, the Company executed a definitive agreement to sell its single family mortgage servicing rights portfolio. The transaction was completed in the first quarter of 2016 and resulted in the sale of the rights to service all of its unpaid principal balance of single family loans serviced for FNMA and the FHLB. The physical transfer of the servicing was completed on January 31, 2016 and is subject to a ten percent holdback of proceeds for document delivery and post-sale date adjustments. The Company anticipates receiving the holdback of proceeds, net of adjustments on July 31, 2016. The sale resulted in a gain of approximately $246, net of selling expenses and holdback of proceeds.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 6 Other Real Estate Owned

Activity in other real estate owned for the six months ended June 30 is summarized as follows:

	2016	2015
Beginning balance	$ 16,853	$ 16,233
Acquired through or in lieu of foreclosure	1,119	6,255
Proceeds from sales	(2,126)	(3,625)
(Loss) gain on sales	(93)	79
Write down on other real estate owned	(23)	
Ending Balance	$ 15,730	$ 18,942

Operating expenses associated with other real estate owned, excluding write-downs on other real estate owned were $376 and $411 for the six months ended June 30, 2016 and 2015, respectively. At June 30, 2016, the balance of real estate owned included $1,446 of foreclosed residential real estate properties recorded as a result of obtaining physical possession of the property. At June 30, 2016, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process is $2,475.

Note 7 Advances from Federal Home Loan Bank

Borrowings from the Federal Home Loan Bank were as follows at period end:

Due Date	Interest Rate	June 30, 2016	December 31, 2015
June 30, 2016	Fixed, 0.57%	$	$ 15,000
Total advances		$	$ 15,000

All advances and letters of credit from the Federal Home Loan Bank (FHLB) are secured by a general lien on qualifying commercial real estate, residential mortgages and home equity loans of the Bank. The advance is payable at its maturity date, with a prepayment penalty for fixed rate advances. Letters of credit outstanding from the FHLB totaled $5,051 and $4,344 at June 30, 2016 and December 31, 2015, respectively. At June 30, 2016 and December 31, 2015, advances and letters of credit were collateralized by $699,023 and $674,044 of commercial real estate, mortgage and home equity loans, respectively. Based on this collateral and the Company's holdings of FHLB stock, the Company was eligible to borrow up to a total of $402,786 and $389,176 at June 30, 2016 and December 31, 2015, respectively.

Note 8 Commitments and Contingencies

Operating Leases

The Bank leases property at various branch locations under terms that are considered to be an operating lease. The leases expire in various years through 2025. Office rent expense was $649 and $549 for the six months ended June 30, 2016 and 2015, respectively.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 8 Commitments and Contingencies (Continued)

The Bank has a contract with a computer service company that expires in November 2017. Data processing expense was $1,464 and $1,378 for the six months ended June 30, 2016 and 2015, respectively.

Annual future minimum payments for these agreements are as follows:

Remaining six months ending 2016	$ 1,993
Year ending 2017	3,541
Year ending 2018	994
Year ending 2019	931
Year ending 2020	836
2021 and thereafter	3,592
	$ 11,887

Loan Commitments and Letters of Credit

The Company does not reflect in its financial statements various commitments and contingent liabilities which arise in the normal course of business and which involve elements of credit risk, interest rate risk and liquidity risk. These commitments and contingent liabilities are commitments to extend credit, commercial letters of credit and standby letters of credit.

A summary of the Bank's commitments and contingent liabilities at June 30, 2016 and December 31, 2015 is as follows:

	June 30, 2016	December 31, 2015
Commitments to extend credit under:		
Unused commercial and other lines of credit	$ 332,927	$ 302,873
Unused equity lines of credit	42,145	43,703
Standby letters of credit	40,055	38,641

Commitments to extend credit, commercial letters of credit and standby letters of credit all include exposure to some credit loss in the event of nonperformance of the customer. The Bank's credit policies and procedures for credit commitments and financial guarantees are the same as those for extension of credit that are recorded on the consolidated balance sheet. Because these instruments have fixed maturity dates, and because many of them expire without being drawn upon, they do not generally present any significant liquidity risk to the Bank. The Bank has not incurred any significant losses on its commitments for the six months ended 2016 and 2015.

The Bank is party to litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigation and claims will not be material to the Company's consolidated financial position.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 9 Derivatives

Derivative contracts entered into by the Company are limited to those that are treated as non-hedge derivative instruments. The Company provides commercial customers with interest rate swap transactions and offsets the transactions with interest rate swap transactions with inter-bank dealer counterparties as a means of offering risk management solutions to customers. As of June 30, 2016 and December 31, 2015, there were $131,976 and $119,200 outstanding in notional values of swaps where the Company pays a variable rate of interest and the customer pays a fixed rate of interest, respectively. This position is offset with counterparty contracts where the Company pays a fixed rate of interest and receives a floating rate of interest. As of June 30, 2016 and December 31, 2015, the estimated fair value of interest rate swaps with borrowers was recorded as an asset of $7,798 and $2,916. The estimated fair value of interest rate swaps with dealer counterparties was recorded as a liability of $8,234 and $2,982. Swaps with customers and inter-bank dealer counterparties are carried at fair value with adjustments of $371 of expense and $102 of income recorded in non-interest income for the six months ended June 30, 2016 and 2015, respectively. Swap fees related to customer derivative instruments of $450 and $802 were recorded in non-interest income for the six months ended June 30, 2016 and 2015, respectively.

Note 10 Regulatory Matters

The Company's primary source of cash is dividends received from its subsidiary bank. The subsidiary bank is subject to certain restrictions on the amount of dividends that it may declare without prior regulatory approval. Beginning in 2016, failure to maintain the required capital conservation buffer will limit the ability of the Bank to pay dividends, repurchase shares or pay discretionary bonuses. In addition, the dividends declared cannot be in excess of the amount which would cause the subsidiary bank to fall below the minimum required for capital adequacy purposes.

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. banks (Basel III rules) became effective for the Company on January 1, 2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. These new requirements create a new required ratio for common equity Tier 1 ("CET1") capital, increase the leverage and Tier 1 capital ratio thresholds, change the risk weight of certain assets for purposes of the risk-based capital ratios, create an additional capital conservation buffer over the required capital ratios and change what qualifies as capital for purposes of meeting these various capital requirements.

The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. Under the Basel III capital requirements, in order to be considered well-capitalized, the Bank must have a CET1 ratio of 6.5% (new), a Tier 1 ratio of 8% (increased from 6.0%), a total risk-based capital ratio of 10.0% (unchanged) and a leverage ratio of 5.0% (unchanged). When fully

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 10 Regulatory Matters (Continued)

phased in on January 1, 2019, the Basel III Capital Rules will require the Bank to maintain the following:

A minimum ratio of CET1 to risk-weighted assets of at least 4.5%, plus a 2.5% "capital conservation buffer" (resulting in a minimum ratio of CET1 to risk-weighted assets of at least 7% upon full implementation).

A minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (resulting in a minimum Tier 1 capital ratio of 8.5% upon full implementation).

A minimum ratio of total capital (Tier 1 capital plus Tier 2 capital) to risk-weighted assets of at least 8.0%, plus the capital conservation buffer (resulting in a minimum total capital ratio of 10.5% upon full implementation).

A minimum leverage ratio of 4%, calculated as the ratio of Tier 1 capital to average assets.

Management believes as of June 30, 2016, the Company and Bank meet all capital adequacy requirements to which they are subject. Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At June 30, 2016 and December 31, 2015, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

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STANDARD BANCSHARES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except per share data)

Note 10 Regulatory Matters (Continued)

The Company's and Bank's actual and required capital amounts and ratios are as follows:

	Actual		Required for Capital Adequacy Purposes		To be Well Capitalized Under the Prompt Corrective Action Provisions	
As of June 30, 2016	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Total capital (to risk-weighted assets)						
Company	$ 270,029	12.9%	$ 167,884	> 8.0%	N/A	N/A
Bank	270,776	12.9%	167,850	> 8.0%	$ 209,813	> 10.0%
Tier 1 (Core) capital (to risk-weighted assets)						
Company	251,179	12.0%	125,913	> 6.0%	N/A	N/A
Bank	251,926	12.0%	125,888	> 6.0%	167,850	> 8.0%
Common Tier 1 (CET 1) risk-weighted assets)						
Company	251,179	12.0%	94,435	> 4.5%	N/A	N/A
Bank	251,926	12.0%	94,416	> 4.5%	136,378	> 6.5%
Tier 1 (Core) Capital to average assets)						
Company	251,179	10.2%	98,560	> 4.0%	N/A	N/A
Bank	251,926	10.2%	98,599	> 4.0%	123,248	> 5.0%

	Actual		Required for Capital Adequacy Purposes		To be Well Capitalized Under the Prompt Corrective Action Provisions	
As of December 31, 2015	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Company	$ 269,694	12.5%	$ 172,002	> 8.0%	N/A	N/A
Bank	270,878	12.6%	172,000	> 8.0%	$ 215,000	> 10.0%
Tier 1 (Core) capital (to risk-weighted assets)						
Company	246,876	11.5%	129,002	> 6.0%	N/A	N/A
Bank	248,060	11.5%	129,000	> 6.0%	172,000	> 8.0%
Common Tier 1 (CET 1) risk-weighted assets)						
Company	246,876	11.5%	96,751	> 4.5%	N/A	N/A
Bank	248,060	11.5%	96,750	> 4.5%	139,750	> 6.5%
Tier 1 (Core) Capital to average assets)						
Company	246,876	10.1%	98,034	> 4.0%	N/A	N/A
Bank	248,060	10.1%	98,034	> 4.0%	122,543	> 5.0%

The overall objectives of the Company's capital management are to have the availability of sufficient capital to support loan, deposit and other asset and liability growth and to maintain capital to absorb unforeseen losses or write-downs that are inherent in the business risk associated within the banking industry. The Company seeks to balance the need for higher capital levels to address growth and unforeseen risks and the goal to achieve an adequate return on capital invested.

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Appendix A

AGREEMENT AND PLAN OF MERGER

by and among

FIRST MIDWEST BANCORP, INC.,

STANDARD BANCSHARES, INC.

and

BENJAMIN ACQUISITION CORPORATION

Dated as of June 28, 2016

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AGREEMENT AND PLAN OF MERGER, dated as of June 28, 2016 (this "*Agreement*"), by and among First Midwest Bancorp, Inc., a Delaware corporation ("*Parent*"), Standard Bancshares, Inc., an Illinois corporation (the "*Company*"), and Benjamin Acquisition Corporation, an Illinois corporation ("*Merger Sub*").

RECITALS

A. *The Proposed Transaction.* Upon the terms and conditions of this Agreement, the parties intend to effect a strategic business combination pursuant to which Merger Sub, a newly formed, direct, wholly owned Subsidiary of Parent, will merge with and into the Company (the "*Merger*"). The Company will be the surviving corporation in the Merger (the "*Surviving Corporation*"). It is the intention of Parent that, (a) immediately following the Merger, the Company will merge with and into Parent, with Parent being the surviving corporation (the "*Parent Merger*") and (b) immediately following the Parent Merger or at such later time as Parent may determine, Standard Bank and Trust Company, an Illinois state chartered bank and wholly owned Subsidiary of the Company ("*Company Bank Sub*"), will merge with and into First Midwest Bank, an Illinois state chartered bank and a wholly owned Subsidiary of Parent ("*Parent Bank Sub*"), with Parent Bank Sub being the surviving bank (the "*Bank Merger*"). The Parent Merger and the Bank Merger sometimes are collectively referred to herein as the "*Subsequent Mergers*".

B. *Board Determinations.* The respective boards of directors of the Company and Parent have each determined that the Merger and the other transactions contemplated hereby are consistent with, and will further, their respective business strategies and goals, and are in the best interests of their respective stockholders, and, therefore, have approved this Agreement, the Merger and the other transactions contemplated hereby.

C. *Intended Tax Treatment.* The parties intend the Merger and the Parent Merger to be treated for federal income tax purposes as a single integrated transaction that will qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code of 1986 (the "*Code*") (the "*Intended Tax Treatment*"). The parties intend that this Agreement be and hereby is adopted as a "plan of reorganization" within the meaning of Sections 354 and 361 of the Code.

D. *Common Voting Agreements.* As an inducement to and condition of Parent's willingness to enter into this Agreement, certain Previously Disclosed directors, officers and shareholders of the Company are concurrently entering into voting agreements, the form of which has been Previously Disclosed (the "*Common Voting Agreements*"), pursuant to which, among other things, such persons agree to vote all of their shares of Company Common Stock in favor of approval of this Agreement, the Merger and any other matters required to be approved or adopted in order to effect the Merger and the other transactions contemplated hereby.

E. *Non-Competition Agreements.* As an inducement to and condition of Parent's willingness to enter into this Agreement, certain Previously Disclosed directors, officers and shareholders of the Company are concurrently entering into confidentiality, non-solicitation and non-competition agreements, the form of which has been Previously Disclosed (the "*Non-Competition Agreements*"), pursuant to which, among other things, such persons are prohibited from competing with the business conducted by Parent and its Subsidiaries.

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NOW, THEREFORE, in consideration of the premises, and of the mutual representations, warranties, covenants and agreements contained in this Agreement, the Company, Parent and Merger Sub agree as follows:

ARTICLE 1

Definitions; Interpretation

1.1 *Definitions.* This Agreement uses the following definitions:

"*Acquisition Proposal*" means (1) a tender or exchange offer to acquire more than twenty-five percent (25%) of the voting power in the Company or any of its Significant Subsidiaries, (2) a proposal for a merger, consolidation or other business combination involving the Company or any of its Significant Subsidiaries or (3) any other proposal or offer to acquire in any manner more than twenty-five percent (25%) of the voting power in, or more than twenty-five percent (25%) of the business, assets or deposits of, the Company or any of its Significant Subsidiaries determined on a consolidated basis, other than the transactions contemplated hereby.

"*Acquisition Transaction*" means, with respect to a person, (1) a merger, consolidation or other business combination transaction involving that person or any of its Subsidiaries (other than mergers, consolidations or other business combination transactions involving solely that person and/or one or more of its wholly owned Subsidiaries, *provided* that any such transaction is not entered into in violation of the terms of this Agreement), (2) a purchase, lease or other acquisition of more than twenty-five percent (25%) of the business, assets or deposits of that person or any of its Subsidiaries determined on a consolidated basis or (3) a purchase or other acquisition (including by way of merger, consolidation, share exchange or otherwise) of securities representing more than twenty-five percent (25%) of the voting power of that person or any of its Subsidiaries or more than twenty-five percent (25%) of the outstanding securities of any class or series of any securities of that person or any of its Subsidiaries, in each case as determined on a consolidated basis.

"*Affiliate*" means, with respect to a person, those other persons that, directly or indirectly, control, are controlled by or are under common control with such person. For the purposes of the definition of Affiliate, "*control*" (including, with correlative meanings, the terms "*controlled by*" or "*under common control with*"), as applied to any person, means the possession, directly or indirectly, of (1) ownership, control or power to vote twenty-five percent (25%) or more of the outstanding shares of any class of voting securities of such person; (2) control, in any manner, over the election of a majority of the directors, trustees, general partners or managing members (or individuals exercising similar functions) of such person; or (3) the ability to exercise a controlling influence over the management or policies of such person. Notwithstanding the foregoing, no person that is entering into a Common Voting Agreement shall be deemed to be an Affiliate of the Company or any its Subsidiaries.

"*Bank Merger Act*" means the Bank Merger Act of 1960.

"*Benefit Arrangement*" means, with respect to the Company or Parent, each of the following under which any of its current or former employees or directors has any present or future right to benefits or compensation and (1) that is sponsored or maintained by it or its Subsidiaries, or (2) under which it or its Subsidiaries has or could reasonably expect to have any liability or obligation: each "employee benefit plan" (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) and each stock purchase, stock option, restricted stock, performance share, stock appreciation right, equity, severance, retirement, employment, consulting, change-in-control, fringe benefit, bonus, incentive, retention, deferred compensation, paid time off benefits and other employee compensation or benefit plan, agreement, program, policy or other arrangement, other than, in each case, for the payment of wages or base compensation in the ordinary course of business or that is maintained, administered or mandated by a Governmental Authority.

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"*BHC Act*" means the Bank Holding Company Act of 1956.

"*COBRA*" means the Consolidated Omnibus Budget Reconciliation Act.

"*Company Board*" means the board of directors of the Company.

"*Company Common Stock*" means the Company Voting Common Stock and the Company Non-Voting Common Stock.

"*Company ERISA Affiliate*" means each corporation or other person or entity engaged in a trade or business that is treated as a single employer with the Company or its Subsidiaries under Section 4001 of ERISA or Section 414 of the Code.

"*Company Non-Voting Common Stock*" means the non-voting common stock, par value $0.01 per share, of the Company.

"*Company Phantom Stock Plan*" means the Company Phantom Stock and Stock Appreciation Rights Plan.

"*Company Shareholders Agreement*" means the Shareholders Agreement, dated as of February 22, 2013, among the Company, the Company Bank Sub and certain other shareholders of the Company.

"*Company Stock*" means, collectively, the Company Common Stock, the Company Non-Voting Common Stock and the Company Preferred Stock.

"*Company Stock Settled Rights*" means the stock settled rights issued by the Company to certain of its shareholders pursuant to the Stock Settled Rights Agreement.

"*Company Voting Common Stock*" means the voting common stock, par value $0.01 per share, of the Company.

"*Confidentiality Agreement*" means the mutual confidentiality agreement between Parent and the Company, dated January 18, 2016.

"*Constituent Documents*" means the charter or articles or certificate of incorporation and by-laws of a corporation or banking organization, the certificate of partnership and partnership agreement of a general or limited partnership, the certificate of formation and limited liability company agreement or operating agreement of a limited liability company, the trust agreement of a trust and the comparable documents of other entities.

"*Contract*" means, with respect to any person, any agreement, contract, indenture, undertaking, debt instrument, lease, understanding, arrangement or commitment (other than a Benefit Arrangement) to which such person or any of its Subsidiaries is a party or by which any of them may be bound or to which any of their assets or properties may be subject, whether or not in writing, and whether express or implied.

"*Conversion*" means the conversion of the processing, reporting, payment and other operating systems from those of Company Bank Sub to those of Parent Bank Sub.

"*Dissenting Common Shares*" means shares of Company Common Stock that are held or beneficially owned by a person who has properly exercised and perfected appraisal, dissenters or similar rights under Sections 11.65 and 11.70 of the IBCA.

"*Environmental Laws*" means all applicable Laws, regulating, relating to or imposing liability or standards of conduct concerning pollution, Hazardous Materials, protection of the environment or protection of human health and safety (regarding Hazardous Materials).

"*ERISA*" means the Employee Retirement Income Security Act of 1974.

"*Exchange Act*" means the Securities Exchange Act of 1934.

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"*Excluded Common Shares*" means shares of Company Common Stock beneficially owned by Parent (other than shares held in a trust, fiduciary, or nominee capacity or as a result of debts previously contracted) or held in the Company's treasury.

"*Fully Diluted Number*" means the sum of (1) the aggregate number of outstanding shares of Company Common Stock immediately prior to the Effective Time (for the avoidance of doubt including Dissenting Common Shares but excluding Excluded Common Shares), (2) the aggregate number of shares of Company Common Stock issuable upon the exercise in full of all Company Stock Options outstanding immediately prior to the Effective Time, and (3) the aggregate number of shares of Company Common Stock issuable assuming that the Company Stock Settled Rights were satisfied in Company Common Stock in accordance with the economic terms set forth in Section 3.2(c) hereof.

"*GAAP*" means United States generally accepted accounting principles.

"*Governmental Authority*" means any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, or any industry self-regulatory authority.

"*Hazardous Materials*" means any hazardous or toxic substances, materials, wastes, pollutants, contaminants or harmful substances, including petroleum compounds, asbestos, mold and lead, regulated under or which may give rise to liability under any Environmental Law.

"*IBCA*" means the Business Corporation Act of the State of Illinois.

"*Independent Committee*" means an independent committee of the Company Board satisfying the requirements thereof in the Stock Settled Rights Agreement.

"*Intellectual Property*" means all (1) trademarks, service marks, brand names, d/b/a's, Internet domain names, logos, symbols, trade dress, trade names, and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of same; (2) inventions and discoveries, whether patentable or not, and all patents, registrations, invention disclosures and applications therefor, including divisions, continuations, continuations-in-part and renewal applications, and including renewals, extensions, reexaminations and reissues; (3) Trade Secrets; (4) published and unpublished works of authorship, whether copyrightable or not (including databases and other compilations of information), copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; and (5) all other intellectual property or proprietary rights.

"*Investment Agreements*" means the investment agreements entered into by the Company on November 5, 2012 with each of individuals listed in Section 1.1(a) of the Company's Disclosure Schedule.

"*IRS*" means the Internal Revenue Service.

"*IT Assets*" means the Company's and its Subsidiaries' computers, computer software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology equipment, and all associated documentation.

"*Knowledge*" means, with respect to: (1) the Company, (A) those facts, events, circumstances and other matters actually known to the Chief Executive Officer, the Chief Financial Officer or the General Counsel or any other senior executive officer of the Company or Company Bank Sub with a title of at least executive vice president; and (B) those facts, events, circumstances and other matters that the Chief Executive Officer, the Chief Financial Officer or the General Counsel or any other senior executive officer of the Company or Company Bank Sub with a title of at least executive vice president could reasonably be expected to know or be aware of given each such individual's position and responsibilities at the Company and the Company Bank Sub after making reasonable inquiry, and (2) Parent, (A) those facts, events, circumstances and other matters actually known to the Chief

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Executive Officer, the Chief Financial Officer or the General Counsel of Parent; and (B) those facts, events, circumstances and other matters that the Chief Executive Officer, the Chief Financial Officer or the General Counsel of Parent could reasonably be expected to know or be aware of given each such individual's position and responsibilities at Parent and Parent Bank Sub after making reasonable inquiry.

"*Law*" means any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, interpretation, order, judgment, injunction, directive, policy, guidance, ruling, approval, permit, requirement or rule of law (including common law) enacted, issued, promulgated, enforced or entered by any Governmental Authority, as well as any common law.

"*Lease*" means any lease, sublease, license, concession or other Contract pursuant to which the Company or any Subsidiary thereof holds any Leased Real Property.

"*Leased Real Property*" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property held by the Company or any Subsidiary thereof.

"*Lien*" means any charge, mortgage, pledge, security interest, restriction, claim, lien, encumbrance, option, right to acquire or adverse interest (other than any nonexclusive licenses granted in the ordinary course of business consistent with past practice).

"*Material Adverse Effect*" means, with respect to the Company or Parent, any fact, circumstance, change, event or effect that, either individually or in the aggregate with any other fact, circumstance, change, event or effect: (1) is or is reasonably likely to be material and adverse to the capital, condition (financial or otherwise), results of operations or business of the Company and its Subsidiaries, taken as a whole, or Parent and its Subsidiaries, taken as a whole, respectively, excluding (with respect to each of clauses (A), (B) or (C), only to the extent that the effect of a change on it is not materially different than on comparable banking organizations organized and operated in the United States or any state therein (in which case only the incremental materially disproportionate effect may be taken into account in determining whether there has been a Material Adverse Effect)) the impact of (A) changes in banking and other laws of general applicability or changes in the interpretation thereof by Governmental Authorities, (B) changes in GAAP or regulatory accounting requirements applicable to banking services organizations generally, (C) changes in prevailing interest rates or other general economic conditions generally affecting banking organizations operating in the United States or any state therein, (D) any failure to meet internally prepared forecasts or projections or, with respect to Parent only, externally prepared forecasts or projections, but the effects of the underlying causes of any such failure to meet forecasts or projections shall not be so excluded, (E) actions or omissions of a party to this Agreement that are expressly required by this Agreement or taken upon the written request or with the prior written consent of the other party to this Agreement in contemplation of the transactions contemplated hereby, (F) the public disclosure of this Agreement or the transactions contemplated hereby or (G) with respect to the Company, the identity of, or any facts or circumstances relating to Parent or its Affiliates; or (2) would materially impair the ability of the party to perform its obligations under this Agreement or to consummate the transactions contemplated hereby on a timely basis.

"*Merger Sub Stock*" means the common stock, par value $1.00 per share, of Merger Sub.

"*Minimum Tangible Common Equity*" means $251,000,000.

"*Mortgage Loans*" means Loans secured by real property or interests in real property that are or were owned, originated (or in the process of origination), made, entered into, serviced or subserviced by the Company or its Subsidiaries.

"*NASDAQ*" means The NASDAQ Stock Market.

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"*Owned Real Property*" means all land, together with all buildings, structures, improvements and fixtures located thereon, including the property, assets and rights that comprise OREO, and all easements and other rights and interests appurtenant thereto, owned by the Company or any Subsidiary thereof.

"*Parent Common Stock*" means the common stock, par value $.01 per share, of Parent.

"*Parent ERISA Affiliate*" means each corporation or other person or entity engaged in a trade or business that is treated as a single employer with the Parent or its Subsidiaries under Section 4001 of ERISA or Section 414 of the Code.

"*Parent Performance Share Awards*" means all outstanding performance share awards in respect of shares of Parent Common Stock.

"*Parent Preferred Stock*" means the preferred stock, without par value, of Parent.

"*Parent Restricted Stock Awards*" means all outstanding awards of restricted Parent Common Stock.

"*Parent Restricted Stock Unit Awards*" means all outstanding restricted stock unit awards in respect of shares of Parent Common Stock.

"*Parent Stock*" means, collectively, the Parent Common Stock and the Parent Preferred Stock.

"*Parent Stock Options*" means all outstanding and unexercised employee and director options to purchase Parent Common Stock.

"*Parent Stock Plans*" means the Parent Omnibus Stock and Incentive Plan, as amended, and the Parent Amended and Restated Non-Employee Directors Stock Plan, as amended.

"*Permitted Liens*" shall mean: (1) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to such Real Property which are not due and payable as of the Closing Date, or which are being contested in good faith; (2) mechanics liens and similar Liens for labor, materials or supplies provided with respect to such Real Property incurred in the ordinary course of business consistent with past practice for amounts which are not delinquent and which would not, individually or in the aggregate, have a material effect on the business or which are being contested by appropriate proceedings and which do not result from the violation or breach of, or default under, any applicable Law or Contract; (3) zoning, building codes and other land use Laws regulating the use or occupancy of such Real Property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such Real Property which are not violated by the current use or occupancy of such Real Property or the operation of the business thereon or any violation of which would not have a material and adverse effect on the value of the properties or assets subject thereto or otherwise materially impair current business operations at such Real Property; and (4) easements, covenants, conditions and restrictions of record and other similar matters of record affecting title to such Real Property which do not materially impair the value or use or occupancy of such Real Property or otherwise materially impair the operation of the current business conducted thereon.

"*Previously Disclosed*" means information set forth, disclosed or made available by a party in the applicable paragraph of its Disclosure Schedule and, with respect to Parent, information disclosed in the Parent SEC Filings (disregarding risk factor disclosures contained under the heading "Risk Factors" or disclosure of risks set forth in any "forward-looking statements" disclaimer).

"*Principal Shareholder*" means any of Lawrence P. Kelley, John D. Gallagher, Timothy J. Gallagher, The Gallagher Standard Bancshares Trust, The Gallagher Family Standard Bancshares Trust, Gallagher GS Trust, Trident SBI Holdings, LLC or Pantheon Standard, L.P.

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"*Registration Rights Agreement*" means the Registration Rights Agreement, dated as of February 22, 2013, by and among the Company and certain shareholders thereof.

"*Registered*" means issued by, registered with, renewed by or the subject of a pending application before any Governmental Authority or Internet domain name registrar.

"*Representatives*" means, with respect to any person, such person's directors, officers, employees, legal, accounting or financial advisors or any representatives of such legal or financial advisors.

"*Rights*" means, with respect to any person, securities or obligations convertible into or exercisable or exchangeable for, or giving any other person any right to subscribe for or acquire, or any options, warrants, puts, calls or commitments relating to, or any stock appreciation right or other instrument the value of which is determined in whole or in part by reference to the market price, book or other value of, shares of capital stock, units or other equity interests of, such first person.

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933.

"*Significant Subsidiary*" and "*Subsidiary*" have the meanings ascribed to those terms in Rule 1-02 of Regulation S-X promulgated by the SEC.

"*Stock Settled Rights Agreement*" means the Stock Settled Rights Agreement, entered into by the Company on February 22, 2013 for the benefit of the holders of the Company Stock Settled Rights, as amended on June 28, 2016.

"*Superior Proposal*" means a bona fide written Acquisition Proposal received other than in connection with a breach of Section 6.7, which the Company Board concludes in good faith to be more favorable from a financial point of view to its shareholders than the Merger and the transactions contemplated hereby (1) after receiving the advice of its financial advisors, (2) after taking into account the likelihood of consummation of the proposed transaction on the terms set forth therein (as compared to, and with due regard for, the terms herein) and (3) after taking into account all legal (with the advice of outside counsel), financial (including the financing terms of any such proposal), regulatory (including the advice of outside counsel regarding the potential for regulatory approval of any such proposal) and other aspects of such proposal and any other relevant factors permitted under applicable Law; *provided* that for purposes of the definition of "Superior Proposal", the references to "more than twenty-five percent (25%)" in the definition of Acquisition Proposal shall be deemed to be references to "fifty percent (50%) or more".

"*Tangible Common Equity*" means the Company's consolidated total tangible common shareholders' equity (for the avoidance of doubt disregarding any intangible assets or preferred shareholders' equity) calculated in accordance with GAAP on a basis consistent with the Company Financial Statements and calculated as if it were the end of an interim accounting period; *provided*, *however*, that (1) for purposes of calculating Tangible Common Equity, any unpaid amount required to be accrued or paid hereunder and any unpaid Transaction Expense shall be considered a liability of the Company irrespective of whether such amount or such Transaction Expense is required under GAAP to be accrued or recorded as a liability of the Company and the after-tax impact of any such amounts shall reduce Tangible Common Equity for purposes of this Agreement; and (2) the calculation of Tangible Common Equity for purposes of this Agreement shall disregard and not include (A) gains on sales of securities after March 31, 2016, (B) any change since April 30, 2016 in the amount reported in, or required to be reported in, accumulated other comprehensive income in the Company Financial Statements in accordance with GAAP, (C) actual or accrued Transaction Expenses up to a total of $10,000,000, (D) the amount of any Real Property Adjustment Amount, (E) all severance payments made or required to be made pursuant to Previously Disclosed employment or other agreements, (F) any expenses, liabilities or similar accounting charges related to the exercise, retirement,

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redemption or termination of the Company Stock Options, Company Stock Settled Rights and Company Phantom Stock as contemplated in this Agreement, (G) all change-in-control payments or other amounts or benefits payable to directors, officers or other employees of the Company or any of its Subsidiaries or to any other person as a result of the consummation of the Merger or the Bank Merger (other than the amount of any Previously Disclosed stay bonus payment for key employees of the Company and its Subsidiaries) and (H) all payments made or required to be made in connection with the termination of any Contract by or at the request of Parent or any of its Subsidiaries.

"*Tax*" and "*Taxes*" means all federal, state, local or foreign taxes, charges, fees, levies or other assessments, however denominated, including all net income, gross income, gains, gross receipts, sales, use, ad valorem, goods and services, capital, production, transfer, franchise, windfall profits, license, withholding, payroll, employment, disability, employer health, excise, estimated, severance, stamp, occupation, property, environmental, unemployment or other taxes, custom duties, fees, assessments or charges, together with any interest and any penalties or fines imposed by any taxing authority.

"*Tax Returns*" means any return, amended return or other report (including elections, declarations, disclosures, schedules, estimates and information returns) required to be filed with respect to any Tax.

"*Trade Secrets*" means confidential information, trade secrets and know-how, including confidential processes, schematics, business methods, formulae, drawings, prototypes, models, designs, customer lists and supplier lists.

"*Transaction Expense*" means any cost, fee or expense paid or incurred at any time either directly or indirectly by the Company or any of its Subsidiaries (or by their shareholders or other holders of equity interests, directors, officers, employees or agents, to the extent such expenses are payable by the Company or any of its Subsidiaries) in connection with, relating to, arising out of or resulting from this Agreement, the Merger, the Bank Merger or any other transaction contemplated by this Agreement or the negotiation, preparation or consummation thereof, *including* (1) the costs, fees and expenses of attorneys, agents, investment bankers, financial advisors (including Company FA), accountants, consultants and other advisors, (2) the aggregate amount of all Previously Disclosed stay bonus payments for key employees of the Company and its Subsidiaries and (3) any other cost, fee, amount or expense identified or otherwise described as a Transaction Expense herein.

1.2 *Additional Definitions*. Each of the following terms has the meaning specified in the Section of this Agreement set forth opposite such term:

Term	**Section**
"*280G Approval*"	Section 6.12(c)
"*280G Shareholder Vote*"	Section 6.12(c)
"*Agreement*"	Preamble
"*Articles of Merger*"	Section 2.2
"*Bank Merger*"	Recitals
"*Bank Merger Surviving Bank*"	Section 2.6
"*Burdensome Condition*"	Section 6.3(c)(2)
"*Closing*"	Section 2.2
"*Closing Date*"	Section 2.2
"*Closing Tangible Common Equity*"	Section 3.8(b)
"*Code*"	Recitals
"*Common Voting Agreements*"	Recitals
"*Company*"	Preamble
"*Company 401(k) Plan*"	Section 6.12(a)(1)
"*Company Articles*"	Section 2.5
"*Company Bank Sub*"	Recitals

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Term	Section
"*Company FA*"	Section 5.2(i)
"*Company Financial Statements*"	Section 5.2(j)(1)
"*Company Meeting*"	Section 6.2
"*Company Phantom Stock*"	Section 3.2(b)(1)
"*Company Preferred Stock*"	Section 5.2(b)(1)
"*Company Shareholder Matters*"	Section 5.2(e)
"*Company Stock Option*"	Section 5.2(t)(2)
"*Company Stock Plans*"	Section 5.2(t)(2)
"*Conversion Project Manager*"	Section 6.13
"*Current Premium*"	Section 6.11(c)
"*Covered Employees*"	Section 6.12(e)
"*DCP*"	Section 6.12(b)
"*Disclosure Schedule*"	Section 5.1
"*Effective Time*"	Section 2.2
"*Environmental Consultant*"	Section 6.15(a)
"*Estimated Closing Balance Sheet*"	Section 3.8(a)
"*Exchange Agent*"	Section 3.3(a)
"*Fee*"	Section 8.3(a)
"*Fee Termination Date*"	Section 8.3(b)
"*Fee Triggering Event*"	Section 8.3(a)
"*Final Closing Balance Sheet*"	Section 3.8(b)
"*Indemnified Party*"	Section 6.11(a)
"*Independent Arbitrator*"	Section 3.8(c)
"*Intended Tax Treatment*"	Recitals
"*Interest Rate Instruments*"	Section 5.2(aa)
"*Joint Proxy Statement*"	Section 6.5(a)
"*Loans*"	Section 5.2(z)
"*Material Contracts*"	Section 5.2(v)(1)
"*Merger*"	Recitals
"*Merger Consideration Value Per Share*"	Section 3.2(a)(1)
"*Merger Sub*"	Preamble
"*New Certificates*"	Section 3.3(a)
"*Non-Competition Agreements*"	Recitals
"*Old Certificates*"	Section 3.3(a)
"*OREO*"	Section 6.14(a)
"*Outside Date*"	Section 8.1(e)
"*Parent*"	Preamble
"*Parent 401(k) Plan*"	Section 6.12(a)(3)
"*Parent Arrangements*"	Section 5.2(t)(8)
"*Parent Bank Sub*"	Recitals
"*Parent Common Stock Issuance*"	Section 5.3(e)
"*Parent Meeting*"	Section 6.2(c)
"*Parent Merger*"	Recitals
"*Parent Merger Surviving Company*"	Section 2.6
"*Parent SEC Filings*"	Section 5.3(i)(1)
"*Pension Plan*"	Section 5.2(t)(3)
"*Per Common Share Consideration*"	Section 3.1(a)(1)
"*Phase I*"	Section 6.15(a)
"*Phase II*"	Section 6.15(b)
"*Real Property*"	Section 5.2(u)(2)

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Term	Section
"*Real Property Adjustment Amount*"	Section 6.15(d)
"*Registration Statement*"	Section 6.5(a)
"*Remediation Estimate*"	Section 6.15(c)
"*Required Third-Party Consents*"	Section 5.2(f)
"*Requisite Regulatory Approvals*"	Section 6.3(a)
"*Scheduled Intellectual Property*"	Section 5.2(p)
"*SSR Redemption Price*"	Section 3.2(c)(1)
"*Subsequent Mergers*"	Recitals
"*Supplemental Disclosure Schedule*"	Section 6.1(c)
"*Survey*"	Section 6.14(a)
"*Surviving Corporation*"	Recitals
"*Takeover Laws*"	Section 5.2(h)
"*Title Commitment*"	Section 6.14(a)
"*Title Company*"	Section 6.14(a)
"*Title Defect Amount*"	Section 6.14(c)
"*Title Defect Conditions*"	Section 6.14(c)
"*Title Notice*"	Section 6.14(b)
"*Title Review Period*"	Section 6.14(b)
"*Trust or Agency Accounts*"	Section 5.2(y)(1)
"*Trust or Agency Agreements*"	Section 5.2(y)(1)
"*Trust or Agency Records*"	Section 5.2(y)(6)

1.3 *Interpretation*.

(a) In this Agreement, except as context may otherwise require, references:

(1) to the Preamble, Recitals, Sections, Annexes or Schedules are to the Preamble to, a Recital or Section of, or Annex or Schedule to, this Agreement and all capitalized terms used in the Annexes and Schedules to this Agreement, unless otherwise provided therein, shall have the meanings given to such terms in this Agreement;

(2) to this Agreement are to this Agreement, and the Annexes and Schedules to it, taken as a whole;

(3) to the "transactions contemplated hereby" includes the transactions provided for in this Agreement, and the Common Voting Agreements and the Non-Competition Agreements, including the Merger and the Subsequent Mergers;

(4) to any agreement (including this Agreement), contract, lease or Law are to the agreement, contract, lease or Law as amended, modified, supplemented, restated or replaced from time to time (in the case of an agreement, lease or contract, to the extent permitted by the terms thereof); and to any section of any Law include any successor to the section;

(5) to any statute or law include any rules and regulations promulgated under the statute or law;

(6) to any Governmental Authority includes any successor to that Governmental Authority;

(7) to any gender include the other gender; and

(8) to the Company or any Subsidiary of the Company shall include any and all predecessors in interest thereof.

(b) The words "hereby", "herein", "hereof", "hereunder" and similar terms are to be deemed to refer to this Agreement as a whole and not to any specific Section.

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(c) The words "include", "includes" or "including" are to be deemed followed by the words "without limitation."

(d) The word "party" is to be deemed to refer to the Company, Parent or Merger Sub.

(e) The word "person" is to be interpreted broadly to include any individual, savings association, bank, trust company, corporation, limited liability company, partnership, association, joint-stock company, business trust, unincorporated organization and any other entity.

(f) The table of contents and article and section headings are for reference purposes only and do not limit or otherwise affect any of the substance of this Agreement.

(g) This Agreement is the product of negotiation by the parties, having the assistance of counsel and other advisers. The parties intend that this Agreement not be construed more strictly with regard to one party than with regard to the other.

(h) No provision of this Agreement is to be construed to require, directly or indirectly, any person to take any action, or omit to take any action, to the extent such action or omission would violate applicable Law (including statutory and common law), rule or regulation.

(i) The terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(j) The terms "Dollars" and "$" mean U.S. Dollars.

(k) If the last day of the time period for the giving of any notice or the taking of any action required under this Agreement falls on a Saturday, Sunday or legal holiday or a date on which banks in the State of Illinois are authorized by applicable Law to close, the time period for giving such notice or taking such action shall be extended through the next business day following the original expiration date of such time period.

(l) The words "business day" are to be deemed to refer to any day other than Saturday, Sunday and any day on which banking institutions located in the State of Illinois are authorized or required by applicable Law or other governmental action to be closed.

(m) In computing periods from a specified date to a later specified date, the words "from" and "commencing on" (and the like) mean "from and including" and the words "to", "until" and "ending on" (and the like) mean "to and including."

(n) References to "past practices" of the Company or any Subsidiary of the Company means an action that is consistent in nature, scope and magnitude with the past practices of such person within the previous three (3) years.

ARTICLE 2

The Merger

2.1 *The Merger*. Upon the terms and subject to the conditions set forth in this Agreement, Merger Sub will merge with and into the Company at the Effective Time. At the Effective Time, the separate existence of Merger Sub will terminate. The Company will be the Surviving Corporation and will continue its existence under the laws of the State of Illinois. As a result of the Merger, the Company shall become a wholly owned subsidiary of Parent.

2.2 *Closing*. The closing of the Merger (the "*Closing*") will take place in the Itasca, Illinois offices of Parent at a time and on a business day designated by Parent and as such business day is consented to by the Company (such consent not to be unreasonably withheld, conditioned or delayed) that is no later than thirty (30) days (or, if fewer than thirty (30) days remain prior to the Outside Date, such fewer number of days) after the satisfaction or waiver of the latest to occur of the

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conditions set forth in Article 7, other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions (the "*Closing Date*"). The parties hereto shall cause articles of merger with respect to the Merger ("*Articles of Merger*") to be drafted and executed prior to the Closing Date and filed on the Closing Date with the Secretary of State of the State of Illinois, all in accordance with the applicable provisions of the IBCA. The time on the Closing Date at which the Merger becomes effective is referred to herein as the "*Effective Time*". Once the Closing Date has been designated by Parent, the parties may agree in writing to another Closing Date.

2.3 *Effects of the Merger; Liabilities of the Company*. The Merger will have the effects prescribed by applicable Law, including the IBCA.

2.4 *Name of Surviving Corporation; Directors and Officers*. The name of the Surviving Corporation as of the Effective Time will be the name of the Company. The directors and officers of the Surviving Corporation as of the Effective Time shall be the directors and officers of Merger Sub immediately prior to the Effective Time.

2.5 *Articles of Incorporation and By-Laws of the Surviving Corporation*. The Articles of Incorporation of the Company, as amended (the "*Company Articles*"), and the Amended and Restated Bylaws of the Company, in each case, as in effect immediately before the Effective Time, will be the articles of incorporation and by-laws, respectively, of the Surviving Corporation as of the Effective Time, until thereafter amended as provided therein or by applicable Law.

2.6 *The Subsequent Mergers*. Prior to the Effective Time, the Company and Parent will cooperate and use their commercially reasonable efforts to effect the Subsequent Mergers and the Conversion immediately following the Effective Time, or at such later time as Parent may determine. Such cooperation shall include (a) the approval and entry into a merger agreement for the Parent Merger substantially in the form attached as *Annex 1* hereto, (b) the approval and entry into a merger agreement for the Bank Merger substantially in the form attached as *Annex 2* hereto and (c) the filing of all applications for all regulatory approvals and certificates required to give effect thereto. At the respective effective times of the Parent Merger and the Bank Merger, the separate existence of the Company and the Company Bank Sub, respectively, will terminate. Parent will be the surviving corporation in the Parent Merger (the "*Parent Merger Surviving Company")* and will continue its existence under the laws of the State of Delaware, and Parent Bank Sub will be the surviving bank in the Bank Merger (the "*Bank Merger Surviving Bank")* and will continue its existence under the laws of the State of Illinois. The Amended and Restated Certificate of Incorporation of Parent in effect immediately prior to the Parent Merger will be the certificate of incorporation of the Parent Merger Surviving Company, and the Charter of Parent Bank Sub in effect immediately prior to the Bank Merger will be the charter of the Bank Merger Surviving Bank. The Restated By-Laws of Parent in effect immediately prior to the Parent Merger will be the by-laws of the Parent Merger Surviving Company, and the By-Laws of Parent Bank Sub in effect immediately prior to the Bank Merger will be the by-laws of the Bank Merger Surviving Bank. In the Subsequent Mergers, the shares of the entity not surviving the merger shall be cancelled and the shares of the entity surviving the merger shall remain outstanding and not be affected thereby.

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ARTICLE 3

Effect on Stock

3.1 *Effect on Stock*. At the Effective Time, as a result of the Merger and without any action by any holder of Company Stock:

(a) *Company Common Stock*.

(1) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time, other than Excluded Common Shares and Dissenting Common Shares, will be converted into and constitute the right to receive 0.435 of a fully paid and non-assessable share of Parent Common Stock, as may be adjusted pursuant to Section 6.15(d) (the "*Per Common Share Consideration*").

(2) Shares of Company Common Stock outstanding immediately prior to the Effective Time will no longer be outstanding and will automatically be canceled and will cease to exist, and no consideration shall be payable for any Excluded Common Shares. Holders of shares of Company Common Stock will cease to be, and will have no rights as, shareholders of the Company, and certificates that represented shares of Company Common Stock before the Effective Time will be deemed for all purposes to represent only the right to receive, without interest, (A) any then unpaid dividend or other distribution with respect to such Company Common Stock having a record date before the Effective Time and (B) the consideration payable in respect of such Company Common Stock pursuant to this Article 3. After the Effective Time, there will be no transfers of shares of Company Common Stock on the stock transfer books of the Company or the Surviving Corporation, and shares of Company Common Stock presented to the Surviving Corporation will be canceled and exchanged in accordance with this Article 3.

(b) *Merger Sub Stock*. Each share of Merger Sub Stock outstanding immediately prior to the Effective Time will be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

3.2 *Company Stock Options; Company Phantom Stock; Company Stock Settled Rights*.

(a) *Company Stock Options*. Prior to the Closing Date, the Company shall take, or cause to be taken, all action, including causing the Company Board or any committee thereof under any Company Stock Plan to take, or cause to be taken, all action permitted under any Company Stock Plan and obtaining the consent of each holder of a Company Stock Option to an option cancellation agreement prior to the Closing in a form reasonably satisfactory to Parent, necessary to cause any outstanding Company Stock Options, whether vested or unvested or exercisable or unexercisable immediately prior to the Effective Time, to, as of the Effective Time (1) be cancelled and terminated in a manner satisfactory to Parent in its reasonable discretion and without the payment of any consideration (unless otherwise directed in writing by Parent) other than as provided in this Section 3.2, if any; (2) represent solely the right to receive a lump sum cash payment payable to the holder of such Company Stock Option pursuant to this Section 3.2, if any; and (3) no longer represent the right to purchase shares of Company Common Stock or any other security of the Company, Parent, the Surviving Corporation or any other person.

(1) Each holder of a Company Stock Option outstanding immediately prior to the Effective Time, the exercise price per share of which is less than the Merger Consideration Value Per Share (as defined below), shall be entitled to receive from Parent in respect of and in consideration for the cancellation and termination of each such Company Stock Option, as soon as reasonably practicable following, but in any event subject to, the Effective Time and in no event later than fifteen (15) business days thereafter, an amount in cash, without any

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interest and subject to any required Tax withholding, equal to the product of (1) the excess, if any, of (A) the product of (x) the Per Common Share Consideration and (y) the per share volume weighted average price of the Parent Common Stock on NASDAQ from 9:30 a.m. to 4:00 p.m., Eastern Time, on the fifteen (15) trading days immediately preceding the Closing Date as found on Bloomberg page FMBIVWAP (or its equivalent successor page if such page is not available) (the product of (x) and (y) being the "*Merger Consideration Value Per Share*"), *over* (B) the exercise price per share of Company Common Stock subject to such Company Stock Option and (2) the number of shares of Company Common Stock subject to such Company Stock Option; *provided*, *however*, the payment of such cash payment shall be conditioned on the holder of such Company Stock Option executing an acknowledgment in a form satisfactory to Parent that such payment represents the full satisfaction of all obligations and liabilities with respect to such Company Stock Option.

(2) In the event that the exercise price of any Company Stock Option outstanding immediately prior to the Effective Time is equal to or greater than the Merger Consideration Value Per Share, no cash payment or other consideration for such Company Stock Option shall be due and payable in respect thereof and the Company Stock Option shall be cancelled and of no further force or effect as of the Effective Time, without any further action on the part of the Company, Parent or the holder of the Company Stock Option. Prior to the Closing, the Company shall take or cause to be taken such action as is necessary and reasonably satisfactory to Parent in order to terminate the Company Stock Plans as of the Effective Time.

(b) *Company Phantom Stock and Stock Appreciation Rights Plan*. Prior to the Closing Date, the Company shall take, or cause to be taken, all action, including causing the Company Board to pass an irrevocable resolution in a form reasonably satisfactory to Parent, to terminate the Company Phantom Stock Plan, effective as of the Effective Time.

(1) Each holder of "Phantom Stock", as defined under the Company Phantom Stock Plan ("*Company Phantom Stock*"), outstanding immediately prior to the Effective Time, shall be entitled to receive from Parent in respect of and in consideration for the cancellation and termination of such Company Phantom Stock, as soon as reasonably practicable following, but in any event subject to, the Effective Time and in no event later than ten (10) business days thereafter, an amount in cash, payable in a lump sum, without any interest and subject to any required Tax withholding, equal to the product of (1) the Merger Consideration Value Per Share, multiplied by (2) the number of shares or fractional shares of such Company Phantom Stock; *provided*, *however*, that the payment of such cash payment shall be conditioned on the holder of such Company Phantom Stock executing an acknowledgment in a form satisfactory to Parent that such payment represents the full satisfaction of all obligations and liabilities with respect to such Company Phantom Stock.

(c) *Company Stock Settled Rights*.

(1) In connection with entering into this Agreement, the Company Board has authorized, pursuant to Section 2.6 of the Stock Settled Rights Agreement, the redemption, and the Company shall redeem, the Company Stock Settled Rights in whole, such redemption to be subject to and conditioned upon the Closing of the Merger and the occurrence of the Effective Time, and effective as of the Effective Time, at a redemption price per Company Stock Settled Right calculated, consistent with the Stock Settled Rights Agreement, as the amount by which clause (A) below exceeds clause (B) below (the "*SSR Redemption Price*"), where:

(A) is the sum of (i) the product of (x) the Per Common Share Consideration and (y) $17.99, as determined in good faith by the Independent Committee pursuant to and

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consistent with the Stock Settled Rights Agreement and (ii) all cash dividends paid on a share of Company Common Stock from February 22, 2013 to the Effective Time (which as of the date hereof is $0.83); and

(B) is $4.65, accreting on a daily basis from February 22, 2013 at an accretion rate of 12% (which accretion as of May 31, 2016 results in a value of $6.74), until the later of the date that is (i) three (3) days after Parent receives all Requisite Regulatory Approvals, (ii) the Company Shareholder Approval in Section 7.1(a)(1) has been obtained (except for any failure to obtain such approval due to Parent's breach of its obligations pursuant to Section 6.5 of this Agreement to use all reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act) and (iii) the Company has then satisfied or is then capable of satisfying the conditions set forth in Section 7.3 hereof.

(2) Accordingly, each holder of a Company Stock Settled Right outstanding immediately prior to the Effective Time shall be entitled to receive from Parent, as provided for in the Stock Settled Rights Agreement, in respect of the redemption of each such Company Stock Settled Right, as soon as reasonably practicable following and subject to, the Effective Time, but in no event later than ten (10) business days thereafter, an amount in cash, without any interest and subject to any required Tax withholding, equal to the SSR Redemption Price.

3.3 *Exchange Agent*.

(a) At or before the Effective Time, Parent will deposit with its transfer agent or with a depository or trust institution of recognized standing selected by it and reasonably satisfactory to the Company (in such capacity, the "*Exchange Agent*"), for the benefit of the holders of certificates formerly representing shares of Company Common Stock (collectively, the "*Old Certificates*"), (1) evidence of shares in book entry form or, if requested by any holder of Old Certificates, certificates (such book entry shares and certificates, "*New Certificates*"), representing the shares of Parent Common Stock issuable to holders of Old Certificates under this Article 3 and (2) an amount equal to the aggregate cash payable to holders of Company Common Stock pursuant to Section 3.4. At or before the Effective Time, Parent will also deposit with the Exchange Agent, which shall serve as the paying agent for purposes of the Stock Settled Rights Agreement, an amount of cash equal to the aggregate cash payable to holders of Company Stock Settled Rights pursuant to Section 3.2(c).

(b) As promptly as reasonably practicable following the Effective Time, but in no event later than ten (10) business days thereafter, Parent shall cause the Exchange Agent to (1) mail or deliver to each person who was, immediately prior to the Effective Time, a holder of record of Company Common Stock, a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to Old Certificates shall pass, only upon proper delivery of such certificates to the Exchange Agent) containing instructions for use in effecting the surrender of Old Certificates in exchange for the consideration payable pursuant to this Article 3 and (2) deliver to each person who was, immediately prior to the Effective Time, a holder of Company Stock Settled Rights a check representing the aggregate SSR Redemption Price such holder has the right to receive in respect of each Company Stock Settled Right held thereby pursuant to Section 3.2(c). No interest will accrue or be paid with respect to any New Certificate or cash to be delivered upon surrender of Old Certificates or any cash to be delivered in respect of the SSR Redemption Price of the Company Stock Settled Rights. If any New Certificate is to be issued or cash is to be paid in a name other than that in which the Old Certificate surrendered in exchange therefor is registered, it will be a condition to the exchange that the Old Certificate so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form of transfer, and that the person requesting the exchange (1) pay any transfer or other similar Taxes required by reason of the issuance of the New Certificate or the making of the cash payment in a name other than the name of the holder of the

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surrendered Old Certificate or (2) establish to the reasonable satisfaction of Parent (or the Exchange Agent, as the case may be) that any such Taxes have been paid or are not applicable.

(c) No dividends or other distributions with respect to Parent Common Stock having a record date after the Effective Time will be paid to any holder of Company Common Stock until such holder has surrendered the Old Certificate representing such stock as provided herein. Subject to the effect of applicable Law, following surrender of any such Old Certificates, there shall be paid to the holder of New Certificates issued in exchange therefor, without interest, the amount of dividends or other distributions with a record date after the Effective Time previously payable with respect to the shares of Parent Common Stock represented thereby. To the extent permitted by applicable Law, holders of Company Common Stock who receive Parent Common Stock in the Merger shall be entitled to vote after the Effective Time at any meeting of Parent stockholders the number of whole shares of Parent Common Stock into which their respective shares of Company Common Stock are converted, regardless of whether such holders of Company Common Stock have exchanged their Old Certificates for New Certificates in accordance with the provisions of this Agreement.

(d) Parent shall be entitled to rely upon the Company's stock transfer books and the Company's register with respect to the Company Stock Settled Rights to establish the identity of those persons entitled to receive consideration pursuant to this Article 3, which books and register shall be conclusive with respect thereto. In the event of a dispute with respect to ownership of stock represented by any Old Certificate or the ownership of any Company Stock Settled Right, Parent shall be entitled to deposit the full consideration represented thereby in escrow with an independent third party providing for the payment to the owner of such consideration upon resolution of such ownership and thereafter be relieved from any and all liability and obligation with respect to any claims thereto. Notwithstanding anything herein to the contrary, no party hereto shall be liable to any former holder of Company Common Stock or a Company Stock Settled Right for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws.

(e) The Surviving Corporation and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as the Surviving Corporation or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under any applicable Law. To the extent that amounts are so withheld by the Surviving Corporation or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect to whom such deduction and withholding was made by the Surviving Corporation or the Exchange Agent. If any holder of an Old Certificate or a Company Stock Settled Right requests payment of any cash such person is entitled to pursuant to this Article 3 by means of a wire transfer in his, her or its duly executed and completed letter of transmittal, the Exchange Agent may make payment of such cash such holder is entitled to hereunder by wire transfer in accordance with such request and the cost of any such wire transfer shall be charged to the account of and deducted from the proceeds paid to such holder hereunder.

3.4 *Fractional Shares.* Notwithstanding anything to the contrary in this Agreement, no fractional shares of Parent Common Stock and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger, no dividend or distribution with respect to Parent Common Stock shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a stockholder of Parent. Instead, Parent will pay, as promptly as reasonably practicable following the Effective Time, but in no event later than fifteen (15) business days thereafter, to each holder of Company Common Stock who would otherwise be entitled to a fractional share of Parent Common Stock (after taking into account all Old Certificates delivered by such holder) an amount in cash (without interest and rounded to the nearest cent) determined by multiplying such fraction of a share of Parent Common Stock by the per share volume weighted average price of the Parent Common Stock on NASDAQ from 9:30 a.m. to 4:00 p.m., Eastern

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Time, on the fifteen (15) trading days immediately preceding the Closing Date as found on Bloomberg page FMBIVWAP (or its equivalent successor page if such page is not available).

3.5 *Lost, Stolen or Destroyed Certificates*. In the event any certificate representing shares of Company Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such person of a bond in customary amount as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed certificate the shares of Parent Common Stock and any cash, unpaid dividends or other distributions that would be payable or deliverable in respect thereof pursuant to this Agreement had such lost, stolen or destroyed certificate been surrendered.

3.6 *Anti-Dilution Adjustments.* If Parent changes (or the board of directors of Parent sets a related record date that will occur before the Effective Time for a change in) the number or kind of shares of Parent Common Stock outstanding by way of a stock split, stock dividend, recapitalization, reclassification, reorganization or other transaction, the Per Common Share Consideration will be adjusted proportionately to account for such change.

3.7 *Dissenters' Rights*. Notwithstanding anything to the contrary in this Agreement, to the extent that holders of Company Common Stock are entitled to dissenters' rights under Section 11.65 of the IBCA, Dissenting Common Shares that are outstanding as of the Effective Time will not be converted into the right to receive the consideration payable in respect of Company Common Stock pursuant to Section 3.1 hereof unless and until the holder shall have failed to perfect, or shall have effectively withdrawn or lost, his, her or its right to dissent from the Merger under the IBCA. The holder of any Dissenting Common Share shall be treated in accordance with Section 11.70 of the IBCA and, as applicable, shall be entitled only to such rights as may be granted to such holder pursuant to Section 11.70 of the IBCA with respect thereto. Parent shall be given a reasonable opportunity to review and comment on all notices or other communications to be sent to holders of Dissenting Common Shares and all such notices and other communications shall be reasonably satisfactory to Parent. The Company will give Parent (a) prompt notice of any notice or demands for appraisal or payment for shares of Company Common Stock, any withdrawal of demand for payment and any other similar instruments received by the Company and (b) the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands or notices at Parent's cost and expense. The Company will not, without the prior written consent of Parent, settle, offer to settle or otherwise negotiate, any such demands or notices or make or offer to make any payment in respect of any such demands or notices. Parent will pay any consideration as may be determined to be due with respect to Dissenting Common Shares pursuant to and subject to the requirements of applicable Law.

3.8 *Tangible Common Equity Calculation*.

(a) Not later than ten (10) days before the expected Closing Date, the Company shall deliver to Parent an estimated and unaudited consolidated balance sheet of the Company, as of the expected Closing Date (the "*Estimated Closing Balance Sheet*"), which shall (1) be prepared in good faith based on all available information at such time on a basis consistent with the Company Financial Statements and (2) include a calculation of Tangible Common Equity as of the expected Closing Date.

(b) After delivery of the Estimated Closing Balance Sheet, the parties shall work together in good faith, which in the case of the Company shall include providing Parent with such documentation and information in its possession or control as Parent shall reasonably request, to agree on an updated estimated consolidated balance sheet of the Company as of the expected Closing Date (the "*Final Closing Balance Sheet*"), which shall (1) be prepared in good faith based on all available information at such time on a basis consistent with the Company Financial Statements and (2) include an updated calculation of Tangible Common Equity as estimated as of the expected Closing Date ("*Closing Tangible*

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Common Equity"). The Final Closing Balance Sheet, and the calculation of the Closing Tangible Common Equity contained therein, agreed to between the parties shall become final and binding.

(c) If, no later than the day before the expected Closing Date, Parent, in good faith, does not believe that the condition contained in Section 7.3(g) is met, the parties shall promptly submit any items over which a disagreement remains to a recognized national or regional independent accounting firm mutually acceptable to the parties, which will act as arbitrator to resolve the remaining disputed items (the "*Independent Arbitrator*") and the Closing Date shall be postponed. The parties will use commercially reasonable efforts to cause the Independent Arbitrator to resolve any dispute and issue a Final Closing Balance Sheet confirming the correct Closing Tangible Common Equity (as determined in accordance with this Agreement), as of a new expected Closing Date determined by the parties, within ten (10) business days following engagement. The parties will cooperate fully with, and furnish such information as may be requested to, the Independent Arbitrator. The Final Closing Balance Sheet issued by the Independent Arbitrator, as well as the amount of Closing Tangible Common Equity set forth therein, will be final and binding on the parties. Each party will bear all costs and fees incurred by it in connection with the foregoing arbitration; *provided*, *however*, that (1) the fees and expenses of the Independent Arbitrator shall be borne by the Company and Parent in the same proportion that the aggregate amount of disputed items submitted to the Independent Arbitrator that are unsuccessfully disputed by the Company and Parent, respectively (as determined by the Independent Arbitrator), bears to the total amount of items submitted to the Independent Arbitrator, and (2) for the avoidance of doubt, all after-tax costs, fees and expenses to be borne by the Company shall not be deducted from the final Closing Tangible Common Equity.

ARTICLE 4

Conduct of Business Pending the Merger

4.1 *Forbearances of the Company.* The Company agrees that from the date hereof until the Effective Time, except as expressly permitted by this Agreement, as Previously Disclosed or as directed in writing by any Governmental Authority, without the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed), it will not, and will cause each of its Subsidiaries not to:

(a) *Ordinary Course.* Conduct its business other than in the ordinary and usual course consistent with past practice and in accordance with the policies and procedures of the Company and its Subsidiaries in effect as of the date hereof or fail to use commercially reasonable efforts to preserve intact its business organizations and assets and maintain its rights, franchises and authorizations and its existing relations with customers, suppliers, vendors, Governmental Authorities, employees, business associates and shareholders.

(b) *Operations.* Enter into any new line of business or materially change its lending, credit, investment, underwriting, risk, asset liability management or other banking, operating or other policies, procedures or practices from those in effect as of the date hereof, except as required by applicable Law, or close, sell, consolidate or relocate (or make application for, or give notice of the same) or materially alter any of its branches, loan production offices or other significant offices or operations facilities of it or its Subsidiaries.

(c) *Products.* Materially alter any of its policies or practices with respect to the rates, fees, interest, charges, levels or types of services or products available to customers of the Company or its Subsidiaries from those in effect as of the date hereof or offer any promotional pricing with respect to any product or service available to customers of the Company or its Subsidiaries; *provided*, *however*, the Company and its Subsidiaries may offer promotional pricing with respect to products and services available to customers of the Company or its Subsidiaries in the ordinary course of business consistent with past practices and on commercially reasonable terms.

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(d) *Brokered Deposits.* Book any "brokered deposits", as such term is defined in 12 CFR 337.6.

(e) *Securities Portfolio.* Purchase any securities other than short-term securities issued by the United States Department of the Treasury or any United States governmental agency.

(f) *Capital Expenditures.* Make any capital expenditures in excess of $250,000 individually or $500,000 in the aggregate.

(g) *Material Contracts.* Enter into, terminate, amend, modify, extend or renew any Material Contract.

(h) *Loans and Interest Rate Instruments.* Make, renew, amend, extend the term of, extend the maturity of or grant the forbearance of any Loan (a) involving a total credit relationship of more than $2,500,000 with any single borrower and its affiliates or related parties, or (b) other than in compliance with the credit policies and procedures listed on Schedule 4.1(h) of the Company Disclosure Schedules and made available to Parent, enter into, renew or amend any Interest Rate Instrument.

(i) *Capital Stock.* Except for the issuance of Company Common Stock pursuant to the Company Stock Options outstanding as of the date hereof, issue, sell, grant, transfer or otherwise permit to become outstanding, or dispose of or encumber or pledge, or authorize or propose the creation of, any additional shares of its stock or any additional Rights of it with respect to its stock.

(j) *Equity Grants.* Grant any stock options, stock appreciation rights, performance shares, restricted stock units, restricted stock or other equity-based awards or interests, or grant any person any right to acquire any shares of its capital stock.

(k) *Dividends, Distributions, Repurchases.* Make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of its stock (except for cash dividends by the Company Bank Sub to the Company as needed by the Company to fund the Company's working capital requirements for operations and expenses) or directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, convert or liquidate any shares of its stock; *provided*, *however*, the Company shall be permitted to declare and pay its quarterly dividends as Previously Disclosed, *provided*, *further*, in the reasonable determination of the Company Board, that as a result of the declaration or payment of any such dividend, the Tangible Common Equity will not be less than the Minimum Tangible Common Equity.

(l) *Dispositions.* Sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of its loans, securities, assets, deposits, business or properties, except for sales, transfers, mortgages, encumbrances or other dispositions or discontinuances in the ordinary course of business consistent with past practice and in a transaction that individually or taken together with all other such transactions is not material to it and its Subsidiaries, whether individually or taken as a whole.

(m) *Acquisitions.* Acquire (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary and usual course of business consistent with past practice) all or any portion of the loans, securities (other than as permitted by Section 4.1(e)), real property, equity, business, deposits or properties of any other person or make a contribution of capital to any other person, other than a wholly owned Subsidiary of the Company.

(n) *Constituent Documents.* Amend any of its Constituent Documents (or similar governing documents).

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(o) *Accounting Methods.* Implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or applicable accounting requirements of a Governmental Authority.

(p) *Tax Matters.* Unless required by applicable Law, make, change or revoke any material Tax election, file any amended Tax Return (unless to correct an error), enter into any closing agreement, settle any material Tax claim or assessment, surrender any right to claim a material refund of Taxes, or take any action with respect to Taxes that is outside the ordinary course of business or inconsistent with past practice to the extent such action is reasonably likely to have a materially adverse impact on the Tax position of the Company, or, after the Merger or the Subsequent Mergers, on the Tax position of Parent or Parent Bank Sub.

(q) *Claims.* Settle any action, suit, claim or proceeding against it, except for an action, suit, claim or proceeding that is settled in the ordinary course of business in an amount or for consideration not in excess of $100,000 individually, or $250,000 in the aggregate, and that would not impose any continuing liability or material restriction on the business of it or its Subsidiaries or, after the Effective Time, Parent or its Subsidiaries.

(r) *Compensation; Employment Agreements.* (1) Enter into, terminate, amend, modify (including by way of interpretation), extend or renew any employment, officer, consulting, employee loan, severance, noncompetition, nonsolicitation, change-in-control, retention, stay bonus or similar contract, agreement or arrangement, grant any salary or wage increase or increase any employee benefit, including incentive, retention or bonus payments (or, with respect to any of the preceding, communicate any intention to take such action) with any director, officer, employee or consultant, or increase the compensation of any director of the Company or any of its Subsidiaries, except in each case (A) to pay (and accrue) annual and quarterly bonuses in the ordinary course of business consistent with past practices and in accordance with the terms of the applicable Benefit Arrangements up to a maximum of $2,700,000 in the aggregate, assuming target level of achievement, (B) to grant annual salary or wage increases in the ordinary course of business consistent with past practices in an amount up to a maximum of three percent (3%) of each employee's then current base compensation, (C) to pay stay bonuses for key employees of the Company and its Subsidiaries as set forth in Section 4.1(r) of the Company Disclosure Schedule, (D) to make changes that are required by applicable Law, (E) to satisfy Previously Disclosed contractual obligations existing as of the date hereof, or (F) as required by this Agreement; (2) hire any employee or engage any consultant with an annual salary or wage rate or consulting fees and target cash bonus opportunity in excess of $150,000; or (3) terminate the employment of any executive officer other than for cause.

(s) *Benefit Arrangements.* (1) Enter into, terminate, establish or adopt any Benefit Arrangement or any arrangement that would have been a Benefit Arrangement had it been entered into prior to this Agreement, amend or modify (other than amendments or modifications to Benefit Arrangment maintained by the Company that are tax-qualified health and welfare plans in the ordinary course of business consistent with past practice that do not materially increase the benefits provided or cost to the Company or its Subsidiaries of maintaining such Benefit Arrangement (with prior notice to Parent) or except as required by applicable Law) any Benefit Arrangement, or make new grants, awards or increase any benefits under any Benefit Arrangement, (2) except as Previously Disclosed, take any action to accelerate the vesting (or lapsing of restrictions), payment, exercisability or funding of or in any other way secure the payment of (other than with respect to rabbi trust arrangements currently in effect and Previously Disclosed) compensation or benefits under any Benefit Arrangement, including stock options, restricted stock, performance shares, stock appreciation rights, equity-based awards or interests or other compensation or benefits payable thereunder, or (3) add any new participants to any Benefit Arrangement (or, with respect to any of the preceding, communicate any intention to take such

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action), except (A) to satisfy Previously Disclosed contractual obligations existing as of the date hereof, (B) to add individuals as participants to any existing Benefit Arrangement maintained by the Company that is a tax-qualified retirement, a health or a welfare benefit plan who become eligible for participation under such plan in the ordinary course of business under the existing terms of such Benefit Arrangement, or (C) as required by applicable Law or by this Agreement. Nothing within this Section 4.1(s) shall prevent the Company from renewing, amending or otherwise modifying existing health and welfare benefits in the ordinary course of business consistent with past practices, *provided* that any such renewal, amendment or other modification does not include any material benefit enhancement that has not been Previously Disclosed.

(t) *Communication.* Make any written communications to the officers or employees of the Company or any of its Subsidiaries, or any oral communications presented to a significant portion of the directors, officers or employees of the Company or any of its Subsidiaries, pertaining to compensation or benefit matters that are affected by the transactions contemplated by this Agreement without providing Parent with a copy or written description of the intended communication, providing Parent with a reasonable period of time to review and comment on the communication, and cooperating with Parent in providing any such mutually agreeable communication.

(u) *Business Premises.* (1) Engage in or conduct any building, demolition, remodeling or material modifications or alterations to any of its business premises unless required by applicable Law or reasonably necessary to ensure satisfaction of Section 4.1(u)(2) or (2) fail to use commercially reasonable efforts to maintain its business premises or other assets in substantially the same condition as of the date hereof.

(v) *OREO.* Acquire or otherwise become the owner of any real property, including OREO, by way of foreclosure or in satisfaction of a debt previously contracted without first (1) obtaining an appropriate Phase I environmental site assessment and (2) consulting Parent (which consultation shall not require Parent's consent or approval).

(w) *Indebtedness.* Other than in the ordinary course of business, incur any indebtedness for borrowed money (other than indebtedness of the Company or any of its wholly owned Subsidiaries to the Company or any of its Subsidiaries) that can be prepaid at any time without penalty, assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person (other than a Subsidiary of the Company).

(x) *Merger, Reorganization, Dissolution.* Merge or consolidate itself or any of its Significant Subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its Significant Subsidiaries.

(y) *Adverse Actions.* Notwithstanding any other provision hereof, (1) knowingly take, or knowingly fail to take, any action that would, or is reasonably likely to, prevent or impede the Merger from qualifying for the Intended Tax Treatment or (2) knowingly take, or knowingly fail to take, any action that is reasonably likely to result in the material delay in the satisfaction of any of the conditions to the Merger set forth in Article 7 or in such conditions not being satisfied in a timely manner, including merge or consolidate the Company or any of its Significant Subsidiaries with any other person where the Company or its Significant Subsidiary, as applicable, is not the surviving entity, or any action that is reasonably likely to materially impair its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby, except as required by applicable Law.

(z) *Commitments.* Enter into any contract, arrangement or understanding with respect to, or otherwise agree or commit to do, any of the foregoing.

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4.2 *Forbearances of Parent.* Parent agrees that from the date hereof until the Effective Time, except as expressly permitted by this Agreement, as Previously Disclosed or as directed in writing by any Governmental Authority, without the prior written consent of Company (which consent shall not be unreasonably withheld, conditioned or delayed), it will not, and will cause each of its Subsidiaries not to:

(a) *Amendment of Charter.* Amend the Amended and Restated Certificate of Incorporation of Parent in a manner that would materially and adversely affect the holders of capital stock of Company (upon their acquisition of Parent Common Stock) relative to other holders of Parent Common Stock;

(b) *Capital Stock.* Adjust, split, combine or reclassify any capital stock of Parent;

(c) *Liquidation.* Completely liquidate or dissolve Parent or Parent Bank Sub.

(d) *Adverse Actions.* Notwithstanding any other provision hereof, (1) knowingly take, or knowingly fail to take, any action that would, or is reasonably likely to, prevent or impede the Merger from qualifying for the Intended Tax Treatment or (2) knowingly take, or knowingly fail to take, any action that is reasonably likely to result in the material delay in the satisfaction of any of the conditions to the Merger set forth in Article 7 or in such conditions not being satisfied in a timely manner, including merge or consolidate Parent or any of its Significant Subsidiaries with any other person where Parent or its Significant Subsidiary, as applicable, is not the surviving entity, or any action that is reasonably likely to materially impair its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby, except as required by applicable Law; or

(e) *Commitments.* Enter into any contract, arrangement or understanding with respect to, or otherwise agree or commit to do, any of the foregoing.

ARTICLE 5

Representations and Warranties

5.1 *Disclosure Schedules.* Before entering into this Agreement, the Company delivered to Parent a schedule and Parent delivered to the Company a schedule (respectively, each schedule a "*Disclosure Schedule*"), setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more covenants contained in Article 4 or Article 6 or one or more representations or warranties contained in this Article 5. The disclosure of an item in any section or subsection of the Disclosure Schedule shall only be deemed to modify the section or subsection of this Agreement to which it corresponds in number and any other section or subsection to which the relevance of such disclosure is reasonably apparent. The inclusion of an item in a Disclosure Schedule as an exception to a representation or warranty will not by itself be deemed an admission by a party that such item is material or was required to be disclosed therein.

5.2 *Representations and Warranties of the Company.* Except as Previously Disclosed, the Company hereby represents and warrants to Parent as follows:

(a) *Organization, Standing and Authority.* The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or leasing of its assets or property or the conduct of its business requires such qualification, except for any failure to be so qualified that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on the Company. The Company has listed on Schedule 5.2(a) of the Company Disclosure Schedules and made available to Parent a

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complete and correct copy of the Company's Constituent Documents, each as amended to the date hereof, and such Constituent Documents are in full force and effect.

(b) *Company Securities*.

(1) The authorized capital stock of the Company consists of 80,000,000 shares of Company Common Stock (65,000,000 shares of which are Company Voting Common Stock and 15,000,000 shares of which are Company Non-Voting Common Stock) and 20,000,000 shares of preferred stock, par value $0.01 per share ("*Company Preferred Stock*"). 48,416,265 shares of Company Common Stock (37,982,220 shares of which are Company Voting Common Stock and 10,434,045 shares of which are Company Non-Voting Common Stock) and no shares of Company Preferred Stock are outstanding as of the date hereof. 5,327,782 shares of Company Common Stock are subject to Company Stock Options granted under the Company Stock Plans, and the exercise price per share of each Company Stock Option has been Previously Disclosed. The Company has outstanding 22,379.5788 shares of Company Phantom Stock and 7,293,407 Company Stock Settled Rights. The Company holds 206,451 shares of Company Common Stock as treasury shares. The outstanding shares of Company Common Stock have been duly authorized and are validly issued, fully paid and nonassessable and, other than as set forth in the Company Shareholders Agreement, are not subject to preemptive rights (and were not issued in violation of any preemptive rights). The shares of Company Common Stock issuable pursuant to the Company Stock Plans have been duly authorized and, upon issuance, will be validly issued and outstanding, fully paid and nonassessable and will not be subject to preemptive rights (and will not be issued in violation of any preemptive rights). All of the rights, terms, preferences, restrictions or other provisions, including any antitakeover provision, applicable to the Company Stock are set forth in the Constituent Documents of the Company or the applicable provisions of the IBCA. The Company does not have any Rights issued or outstanding, any shares of Company Stock reserved for issuance, or any commitment to authorize, issue, transfer or sell any Company Stock or any Rights, except Company Common Stock reserved for issuance upon conversion of the Company Stock Options issued and outstanding on the date hereof. Except as Previously Disclosed, other than the Company Stock Options and Company Stock Settled Rights, no equity-based awards (including any cash awards where the amount of payment is determined in whole or in part based on the price of any capital stock of the Company or any Subsidiaries of the Company) are outstanding. The Company has no commitment or agreement that obligates the Company to redeem, repurchase or otherwise acquire, or to register with the SEC, any shares of Company Stock or any Rights, other than pursuant to the Registration Rights Agreement, which shall be terminated and be of no further force or effect as of the Effective Time pursuant to an amendment in full force and effect as of the date hereof that will terminate the Registration Rights Agreement as of the Effective Time, which amendment has been made available to Parent. Section 5.2(b)(1) of the Company Disclosure Schedule sets forth, as of the date hereof, a true and complete list of (A) the name of each holder of Company Voting Common Stock, Company Non-Voting Common Stock and Company Phantom Stock and the number of shares thereof held by each such person, (B) the name of each holder of Company Stock Settled Rights and the number of Company Stock Settled Rights held by each such person and (C) with respect to each Company Stock Option, the recipient, the date of grant, the number of shares of Company Common Stock and the exercise price.

(2) Except as Previously Disclosed, there are no voting trusts, proxies, shareholder agreements or other agreements or understandings to which the Company is a party with respect to the voting of shares of Company Stock, other than the Common Voting Agreements and the Company Shareholders Agreement, a complete and correct copy of which

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has been made available to Parent. The Company Shareholders Agreement will terminate in accordance with its terms and be of no further force or effect at the Effective Time. The entry into a Common Voting Agreement by Parent and each person Previously Disclosed by Parent to the Company and the consummation of the Merger shall each constitute a "Permitted Transfer" pursuant to the Company Shareholders Agreement.

(3) The Company has Previously Disclosed a list of all bonds, debentures, notes or other debt obligations that the Company or any of its Subsidiaries has issued and outstanding as of the date hereof. The Company has no outstanding bonds, debentures, notes or other debt obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) on any matter.

(4) For purposes of determining the cash payable in respect of each Company Stock Settled Right pursuant to Section 3.2(c) of this Agreement and the Stock Settled Rights Agreement, an Independent Committee has irrevocably determined in good faith that the price per share of the Company Common Stock at which the Company is valued on a fully diluted basis is as set forth in Section 3.2(c)(1)(A)(i) of this Agreement, and such determination has been made available to Parent. In connection with entering into this Agreement, the Company Board has authorized, pursuant to Section 2.6 of the Stock Settled Rights Agreement, the redemption of the Company Stock Settled Rights in whole, such redemption to be subject to and conditioned upon the Closing of the Merger and the occurrence of the Effective Time, at the SSR Redemption Price. The Company has taken all action required by the Stock Settled Rights Agreement to determine the accretion rate used in the calculation of the SSR Redemption Price, which is 12%. The value of $4.65, accreting on a daily basis from February 22, 2013 through May 31, 2016 at an accretion rate of 12% is $6.74. The cash dividends paid on a share of Company Common Stock from February 22, 2013 through the date hereof is $0.83.

(5) The Company has Previously Disclosed a true and complete list of holders of Company Common Stock, along with the number of shares of Company Common Stock beneficially owned by each holder.

(c) *Subsidiaries and Equity Holdings*.

(1) The Company has Previously Disclosed a list of its Subsidiaries, and the Company owns, directly or indirectly, all the outstanding equity securities of its Subsidiaries free and clear of Liens, and all such equity securities have been duly authorized and are validly issued and outstanding, fully paid and nonassessable. No equity securities of any of the Company's Subsidiaries are or may become required to be issued (other than to the Company or one of its wholly owned Subsidiaries) by reason of any Right or otherwise. There are no agreements, contracts, commitments, arrangements or understandings by which the Company or any of its Subsidiaries is or may become bound to issue, sell or otherwise transfer any equity securities of any of the Company's Subsidiaries (other than to the Company or one of its wholly owned Subsidiaries). There are no contracts, commitments, arrangements or understandings by which the Company or any of its Subsidiaries is or may become bound that relate to the Company's or any of its Subsidiaries' rights to vote or dispose of any equity securities of any of the Company's Subsidiaries. Each of the Company's Subsidiaries that is a bank (as defined in the BHC Act) is an "insured bank" as defined in the Federal Deposit Insurance Act.

(2) Each of the Company's Subsidiaries has been duly organized and is validly existing in good standing under the applicable Law of the jurisdiction of such Subsidiary's organization, and is duly qualified to do business and is in good standing as a foreign corporation (or other business entity, as applicable) in each jurisdiction where the ownership or leasing of such Subsidiary's assets or property or the conduct of such Subsidiary's business requires such

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qualification, except for any failure to be so qualified that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on the Company. The Company has listed on Schedule 5.2(b)(2) of the Company Disclosure Schedules and made available to Parent a complete and correct copy of the Constituent Documents, each as amended to the date hereof, for each of the Company's Subsidiaries, and such Constituent Documents are in full force and effect.

(3) The Company has Previously Disclosed a list of all equity securities that it and its Subsidiaries own, control or hold for its account as of the date hereof.

(d) *Power.* The Company and each of its Subsidiaries has the corporate (or comparable) power and authority to own and operate their respective assets and properties and to conduct their respective businesses as such businesses are now being conducted. The Company and each of its Subsidiaries has the corporate (or comparable) power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(e) *Authority.* The Company has duly executed and delivered this Agreement and has taken all corporate action necessary for it to execute and deliver this Agreement. Each of the Company's Subsidiaries to be party to any document or agreement in connection with the transactions contemplated hereby has taken all corporate (or comparable) action necessary for it to execute and deliver such document or agreement. Subject only to receipt of the affirmative vote of (i) the holders of (A) at least fifty-five percent (55%) of the outstanding shares of Company Voting Common Stock approving this Agreement and the transactions contemplated hereby (in satisfaction, among others, of the requirements in Section 8.1 and 8.2 of the Company Articles) and (B) pursuant to Section 4.2(a) of the Company Articles, a majority of the outstanding shares of Company Non-Voting Common Stock, voting separately as a class, approving the adoption of the Amended and Restated Certificate of Incorporation of Parent in effect immediately prior to the Parent Merger as the certificate of incorporation of the Parent Merger Surviving Company in the Parent Merger (together with the approval of this Agreement and the transactions contemplated hereby, the "*Company Shareholder Matters*"), and (ii) the Company, as holder of all outstanding shares of common stock issued by the Company Bank Sub, this Agreement, the Merger, the Subsequent Mergers and the transactions contemplated hereby and thereby have been authorized by all necessary corporate (or comparable) action on the part of the Company and each of its Subsidiaries. This Agreement is the Company's valid and legally binding obligation, enforceable in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles). All actions taken by the Company Board in connection with this Agreement have been unanimously approved at a meeting where all members were present and voting on such actions. The Company Board, acting unanimously at a meeting where all members were present and voting on the actions approved has adopted resolutions approving and recommending to the Company's shareholders approval of the Company Shareholder Matters and any other matters required to be approved or adopted in order to effect the Merger, the Subsequent Mergers and the other transactions contemplated hereby. The board of directors of the Company Bank Sub, acting unanimously at a meeting where all members were present and voting on the actions approved, has unanimously adopted resolutions approving the Bank Merger, the Bank Merger Agreement and the consummation of the transactions contemplated thereby. The Company Board, acting unanimously at a meeting where all members were present and voting on the actions approved, has determined that, for purposes of Article Nine of the Company Articles, the transactions contemplated by this Agreement, including any transfer of Company Stock in connection with the Merger, the Subsequent Mergers or the transactions contemplated by each of them, and the execution of the

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Common Voting Agreements, each constitute a permitted transfer pursuant to Section 9.2 of the Company Articles, and the approval thereof has been made available to Parent.

(f) *Consents and Approvals.* No notices, applications or other filings are required to be made by the Company or any of its Subsidiaries with, nor are any consents, approvals, waivers, registrations, permits, expirations of waiting periods or other authorizations required to be obtained by the Company or any of its Subsidiaries from, any Governmental Authority or, except as Previously Disclosed, any third party (such required third-party consents, the "*Required Third-Party Consents*") in connection with the execution, delivery or performance by the Company of this Agreement or the consummation of the transactions contemplated hereby, including the Subsequent Mergers except for (1) filings of applications and notices with, receipt of approvals or no objections from, and the expiration of related waiting periods, required by federal and state banking authorities, including applications and notices under the BHC Act and the Bank Merger Act with the Board of Governors of the Federal Reserve System (acting through the appropriate Federal Reserve Bank as allowed), and applications and notices (including those required under the Illinois Banking Act) to the Illinois Department of Financial and Professional Regulation, (2) receipt of the approvals described in Section 5.2(e) and the other approvals Previously Disclosed, (3) filing of the Registration Statement with the SEC, and declaration by the SEC of the effectiveness of the Registration Statement under the Securities Act, (4) filings of any required applications and notices with, and receipt of any required approvals from, any Governmental Authority with responsibility for enforcing any state securities law, (5) the filing of the Articles of Merger with respect to the Merger, the certificate of merger and articles of merger with respect to the Parent Merger and articles of merger with respect to the Bank Merger, and (6) filings with applicable securities exchanges to obtain the listing authorizations contemplated by this Agreement.

(g) *No Defaults.* Subject to making the filings and receiving the consents and approvals referred to in Section 5.2(f), and the expiration of the related waiting periods, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not and will not violate or conflict with, require a consent or approval under, result in a breach of, constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, result in the right of termination of, accelerate the performance required by, increase any amount payable under, change the rights or obligations under, or give rise to any Lien or penalty under, the terms, conditions or provisions of (1) the Company's Constituent Documents or those of its Subsidiaries, (2) any contract, commitment, agreement, arrangement, understanding, indenture, lease, policy or other instrument of the Company or any of its Subsidiaries, or by which the Company or any of its Subsidiaries is bound or affected, or to which the Company or any of its Subsidiaries or the Company's or any of its Subsidiaries' respective businesses, operations, assets or properties is subject or receives benefits or (3) any applicable Law.

(h) *Takeover Laws and Provisions.* The Company Board has approved this Agreement, the Common Voting Agreements and the transactions contemplated hereby and thereby (including the Merger and the Subsequent Mergers) as required to render inapplicable to this Agreement, the Common Voting Agreements and the transactions contemplated hereby and thereby any applicable provisions of any "moratorium", "control share", "fair price", "affiliate transaction", "business combination" Laws or other applicable antitakeover Laws and regulations of any state, including Sections 7.85 or 11.75 of the IBCA (collectively, "*Takeover Laws*"), and this Agreement, the Common Voting Agreements and the transactions contemplated hereby and thereby (including the Merger and the Subsequent Mergers) are exempt from, and are not subject to, any Takeover Laws.

(i) *Financial Advisors.* None of the Company, its Subsidiaries or any of the Company's or any of its Subsidiaries' directors, officers or employees has employed any broker or finder or

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incurred any liability for any brokerage fees, commissions, finder's fees or other compensation in connection with the transactions contemplated hereby, except that, in connection with this Agreement, the Company has retained J.P. Morgan Securities LLC ("*Company FA*"), as its financial advisor, and complete and correct copies of its arrangements with Company FA have been made available to Parent. As of the date hereof, the Company has received a written opinion of Company FA, issued to the Company, to the effect that, as of the date thereof, and based upon and subject to the factors, assumptions and limitations set forth therein, the Per Common Share Consideration is fair from a financial point of view to holders of Company Common Stock.

(j) *Financial Reports and Regulatory Filings*.

(1) The Company has Previously Disclosed complete and correct copies of (A) its consolidated audited financial statements (including any related notes and schedules thereto and the signed, unqualified opinion of RSM US LLP (f/k/a McGladrey LLP), its independent auditor) for the years ended December 31, 2013, 2014 and 2015, and (B) its consolidated unaudited balance sheet and statements of income, comprehensive income (loss) and changes in shareholders' equity as of and for the three (3) month period ended March 31, 2016; it will provide Parent when available with similar customary audited year-end and unaudited interim financial statements (including any related notes and schedules thereto) for each of the quarterly and annual periods ended thereafter and any partial quarter period prior to Closing (all of the foregoing audited and unaudited financial statements referred to collectively as the "*Company Financial Statements*"). Each of the statements of financial position (or equivalent statements) included in the Company Financial Statements (including any related notes and schedules) fairly presents or will fairly present in all material respects the Company's financial position and that of its Subsidiaries on a consolidated basis as of the date of such statement, and each of the statements of income, comprehensive income and changes in shareholders' equity and cash flows included in the Company Financial Statements (including any related notes and schedules thereto) fairly presents or will fairly present in all material respects, the results of operations, changes in shareholders' equity and changes in cash flows, as the case may be, of the Company and its Subsidiaries on a consolidated basis for the periods to which those statements relate, in each case in accordance with GAAP consistently applied during the periods involved, except in each case as may be noted therein, and, with respect to the Company Financial Statements for the quarter ended and as of March 31, 2016 and any quarter ending after the date hereof, subject to normal year-end audit adjustments and the absence of notes to such Company Financial Statements.

(2) The Company (A) has designed disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated Subsidiaries, is made known to the management of the Company by others within those entities, and (B) has disclosed, based on its most recent evaluation prior to the date hereof and to the Company's Knowledge, to the Company auditors and the audit committee of the board of directors of the Company (i) any significant deficiencies in the design or operation of internal controls which could adversely affect in any material respect the Company's ability to record, process, summarize and report financial data and has identified for the Company's auditors any material weaknesses in internal controls and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(3) Since January 1, 2013, the Company and each of its Subsidiaries have filed all reports, statements and other documents, together with any amendments required to be made with respect thereto, that it was required to file with any applicable Governmental Authorities. As of their respective dates (and without giving effect to any amendments or modifications filed after the date of this Agreement with respect to reports and documents filed before the date of this Agreement), each of such reports and documents, including the financial statements, exhibits and schedules thereto, complied in all material respects with all of the statutes, rules and regulations enforced or promulgated by the Governmental Authority with which they were filed.

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(k) *Absence of Certain Changes; Conduct of Business.* To the extent required by GAAP, all liabilities and material obligations of the Company and its Subsidiaries have been reflected, disclosed or reserved against in the Company Financial Statements (or footnotes thereto), dated as of December 31, 2015, and since such date (1) other than in the ordinary and usual course of business consistent with past practice or otherwise in connection with the Merger, the Subsequent Mergers and the other transactions contemplated by this Agreement, the Company and its Subsidiaries have not incurred any material obligation or liability, whether or not accrued, contingent or otherwise and whether or not required to be disclosed, (2) the Company and its Subsidiaries have conducted their respective businesses in all material respects in the ordinary and usual course consistent with past practice, (3) neither the Company nor any of its Subsidiaries has taken any of the actions referenced in Section 4.1, and (4) no event has occurred or fact or circumstance has arisen that, individually or taken together with all other events, facts, and circumstances, has had or is reasonably likely to have a Material Adverse Effect on the Company.

(l) *Litigation*.

(1) As of the date hereof, there is no action, suit, claim, hearing, dispute, investigation, subpoena or proceeding pending or, to the Company's Knowledge, threatened against or affecting the Company or any of its Subsidiaries (and to the Company's Knowledge, there is no basis for any such action, suit, claim, hearing, dispute, investigation, subpoena or proceeding), nor is there any notice of violation, judgment, order, decree, injunction or ruling of any Governmental Authority or arbitration outstanding against the Company or any of its Subsidiaries (or in the process of being issued).

(2) There is no material action, suit, claim, hearing, dispute, investigation, subpoena or proceeding pending or, to the Company's Knowledge, threatened against or materially affecting the Company or any of its Subsidiaries (and to the Company's Knowledge, there is no basis for any such action, suit, claim, hearing, dispute, investigation, subpoena or proceeding), nor is there any material written notice of violation, judgment, order, decree, injunction or ruling of any Governmental Authority or arbitration outstanding against the Company or any of its Subsidiaries (or in the process of being issued).

(m) *Compliance with Laws*. Except as Previously Disclosed, the Company and each of its Subsidiaries:

(1) conducts and at all times since January 1, 2013 has conducted its business in all material respects in compliance with all Laws applicable thereto or to the employees conducting such businesses, including all Laws applicable to agreements with, and disclosures and communications to, consumers;

(2) currently has a rating of "Satisfactory" or better under the Community Reinvestment Act of 1977;

(3) has all material permits, licenses, authorizations, orders and approvals of, and has made all material filings, applications and registrations with, all Governmental Authorities that are required in order to permit it to own or lease its assets and properties and to conduct its business as it is now being conducted, and all such permits, licenses, authorizations, orders and approvals are in full force and effect and, to its Knowledge, no suspensions or cancellations are threatened; and

(4) has received, since January 1, 2013, no written notification from a Governmental Authority (A) asserting that it is not in compliance with any of the applicable Law that such Governmental Authority enforces, (B) threatening to suspend, cancel, revoke or condition the continuation of any permit, license, authorization, charter, order or approval or (C) restricting or disqualifying, or threatening to restrict or disqualify, its activities, except, in the case of

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each of clauses (A), (B) and (C), as would not, individually or in the aggregate, be material to the Company and its Subsidiaries, whether individually or taken as a whole.

(n) *Regulatory Matters*. Neither the Company nor any of its Subsidiaries is subject to, or has been advised that the Company or any of its Subsidiaries is reasonably likely to become subject to, any written order, decree, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or supervisory letter from, or adopted any board resolutions at the request of, any Governmental Authority charged with the supervision or regulation of financial institutions or issuers of securities or engaged in the insurance of deposits or otherwise involved with the supervision or regulation of the Company or any of its Subsidiaries.

(o) *Books and Records, Internal Controls and Policies and Procedures*.

(1) The Company's books and records and those of its Subsidiaries have been fully, properly and accurately maintained in all material respects, and there are no material misstatements, omissions, inaccuracies or discrepancies of any kind contained or reflected therein.

(2) The Company's stock transfer books and the Company's register with respect to the Company Stock Settled Rights, true and complete copies of which have been provided to Parent, are maintained in accordance with applicable Law and accurately reflect the holders of Company Common Stock and Company Stock Settled Rights, respectively, as of the date hereof.

(3) The records, systems, controls, data and information of the Company and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of the Company or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a materially adverse effect on the system of internal accounting controls described in the following sentence. Except as Previously Disclosed, the Company and its Subsidiaries have established and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

(4) The Company and its Subsidiaries utilize, to the extent applicable, investment, securities, risk management and other policies, practices and procedures that the Company believes are prudent and reasonable in the context of their respective businesses, and the Company and its Subsidiaries have, since January 1, 2013, been in compliance with such policies, practices and procedures in all material respects.

(p) *Intellectual Property*.

(1) The Company has Previously Disclosed all Registered Intellectual Property owned by it or any of its Subsidiaries (collectively, the "*Scheduled Intellectual Property*"). The Company or its relevant Subsidiary exclusively owns all Scheduled Intellectual Property and all other material Intellectual Property owned, or purported to be owned, by it, free and clear of all Liens. The Scheduled Intellectual Property is subsisting and, to the Company's Knowledge, valid and enforceable, and is not subject to any outstanding order, judgment, decree or agreement materially and adversely affecting the Company's use thereof or its rights thereto. To the Company's Knowledge, (A) the Company and its Subsidiaries have sufficient rights to use all Intellectual Property used in the Company's or any of its Subsidiaries' business as presently conducted and (B) the Company and its Subsidiaries do not infringe, misappropriate or otherwise violate, and have not in the past three (3) years infringed, misappropriated or

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otherwise violated, the Intellectual Property rights of any third party. To the Company's Knowledge, no person is infringing, misappropriating or otherwise violating any Scheduled Intellectual Property right or other Intellectual Property right owned by the Company or any of its Subsidiaries. Except as Previously Disclosed, consummation of the transactions contemplated by this Agreement will not terminate or alter the terms pursuant to which the Company or any of its Subsidiaries is permitted to use any Intellectual Property licensed from third parties and will not create any rights by third parties to use any Intellectual Property owned by Parent, the Company or any of their respective Subsidiaries or trigger a loss of any material rights by Parent, the Company or any of their respective Subsidiaries in, to or under any such Intellectual Property.

(2) The Company and its Subsidiaries have taken reasonable measures to protect the confidentiality of all Trade Secrets that are owned, used or held by the Company and its Subsidiaries, and to the Company's Knowledge, such Trade Secrets have not been used, disclosed to or discovered by any person except pursuant to valid and appropriate non-disclosure and/or license agreements which have not been breached. All material Intellectual Property developed under contract by, for or on behalf of the Company or any of its Subsidiaries has been assigned to the Company or such Subsidiary, other than any Intellectual Property which the Company or one of its Subsidiaries engaged a non-employee third-party to develop that the Company or such Subsidiary does not own but is licensed to use or, with respect to Intellectual Property no longer used in the Company's or any of its Subsidiaries' business as presently conducted, was licensed to use.

(3) To the Company's Knowledge, the IT Assets operate and perform in all material respects as required by the Company and its Subsidiaries in connection with their respective businesses, and have not materially malfunctioned or failed within the past three (3) years. To the Company's Knowledge, the IT Assets do not contain any "time bombs", "Trojan horses", "back doors", "trap doors", "worms", viruses, bugs, faults or other devices or effects that (A) enable or assist any person to access without authorization the IT Assets, or (B) otherwise significantly adversely affect the functionality of the IT Assets. To the Company's Knowledge, no person has gained unauthorized access to the IT Assets. To the Company's Knowledge, the Company and its Subsidiaries maintain and utilize the IT Assets in accordance with all applicable licenses, agreements and other Contracts. The Company and its Subsidiaries have implemented and maintain reasonable backup, security and disaster recovery technology. The Company and its Subsidiaries take reasonable measures, which are to the Company's Knowledge, adequate to comply with all applicable Law and their respective contractual and privacy commitments, to protect the confidentiality of customer financial and other data.

(q) *Taxes*.

(1) (A) All material Tax Returns that are required to be filed (taking into account any extensions of time within which to file) by or with respect to the Company and its Subsidiaries have been duly and timely filed with the appropriate taxing authority and all such Tax Returns are true, complete and accurate in all material respects, (B) all Taxes shown as due on such Tax Returns have been paid in full, (C) all deficiencies asserted or assessments made as a result of any audit or examination by any taxing authority of the Tax Returns referred to in clause (A) have been paid in full or otherwise finally resolved, (D) except as Previously Disclosed, no issues have been raised in writing by any taxing authority in connection with any audit or examination of any such Tax Return that are currently pending, (E) except as Previously Disclosed, to the Company's knowledge, there are no pending, or threatened in writing, audits, examinations, investigations or other proceedings in respect of Taxes or Tax Returns of the Company or its Subsidiaries, (F) all material Taxes that the Company or any of its Subsidiaries are obligated to withhold from amounts owing to any employee, creditor or

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third party have been paid over on a timely basis to the proper taxing authorities, to the extent due and payable, (G) the Company and its Subsidiaries have substantially complied with all information reporting (and related withholding) requirements and (H) except as Previously Disclosed, no extensions or waivers of statutes of limitation applicable to any Tax have been given by or requested with respect to any of the Company or any of its Subsidiaries that remain in effect.

(2) The Company has made provision in accordance with GAAP, in the Company Financial Statements, and if not required by GAAP, on its books and records, for all Taxes that accrued on or before the end of the most recent period covered by the Company Financial Statements.

(3) No Liens for Taxes exist with respect to any of the Company's assets or properties or those of its Subsidiaries, except for statutory Liens for Taxes not yet due and payable or that are being contested in good faith and reserved for in accordance with GAAP.

(4) Except as Previously Disclosed, neither the Company nor any of its Subsidiaries will be required, as a result of (i) a change in accounting method for a Tax period beginning on or before the Effective Time to include any adjustment under Section 481(c) of the Code (or any similar provision of state, local or foreign Law) in taxable income for any Tax period beginning on or after the Effective Time, or (ii) any "closing agreement" as described in Section 7121 of the Code (or any similar provision of state, local or foreign tax Law), to include any item of income in or exclude any item of deduction from any Tax period beginning on or after the Effective Time.

(5) Neither the Company nor any of its Subsidiaries is a party to any Tax allocation or sharing agreement (other than any such an agreement exclusively between or among the Company and its Subsidiaries or entered into in the ordinary course of business the principal focus of which is not Taxes). Neither the Company nor any of its Subsidiaries is or has been a member of an affiliated group of corporations, within the meaning of Section 1504 of the Code, or a member of a consolidated, unitary or combined Tax group filing, consolidated or combined Tax Returns (other than, in each case, an affiliated, consolidated, unitary or combined group of which the Company is the common parent) or otherwise has any liability for the Taxes of any person (other than with respect to itself or any of its Subsidiaries) as a transferee or successor.

(6) To the Company's Knowledge, no closing agreements, private letter rulings, technical advice memoranda or similar agreement or rulings have been entered into or issued by any taxing authority with respect to the Company or any of its Subsidiaries under Treasury Regulation Section 1.1502-6.

(7) Neither the Company nor any of its Subsidiaries has distributed stock of another person, or has had its stock distributed by another person, during the two (2) year period prior to the date of this Agreement, in a transaction in which the parties to such distribution treated the distribution as one to which Section 355 of the Code applied, except for distributions occurring among members of the same group of affiliated corporations filing a consolidated federal income tax return.

(8) Neither the Company nor any of its Subsidiaries has participated in any reportable or listed transaction within the meaning of Treasury Regulation Section 1.6011-4(b).

(9) Neither the Company nor any of its Subsidiaries has taken or agreed to take any action or has any reason to believe that any conditions exist that could prevent or impede the Merger and the Parent Merger from qualifying for the Intended Tax Treatment.

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(r) *Environmental Matters*. As of the date hereof and, except as disclosed in any Phase I, Phase II or other environmental reports prepared pursuant to Section 6.15, as of the Closing Date:

(1) The operations and Real Property of the Company and each of its Subsidiaries are and have at all times since January 1, 2008 been in compliance with applicable Environmental Laws;

(2) The Company and each of its Subsidiaries has obtained, and is in material compliance with, all authorizations, licenses and permits required under Environmental Laws required in connection with the occupancy of the Real Property and the operation of their respective businesses as presently conducted;

(3) There are no proceedings, claims, actions, notices of violation or investigations of any kind, pending or, to the Company's Knowledge, threatened, against the Company or any of its Subsidiaries or any Real Property owned by the Company or any such Subsidiary in any court, agency or arbitral body or by any Governmental Authority, arising under or relating to any Environmental Law, and to the Company's Knowledge there is no reasonable basis for any such pending or threatened proceeding, claim, action, notice of violation or investigation;

(4) There are no agreements, orders, judgments, decrees or settlements involving the Company, any of its Subsidiaries, or with respect to any Real Property owned by the Company or any such Subsidiary by or with any court, regulatory agency, Governmental Authority or private person, imposing liability or obligations under or relating to any Environmental Law;

(5) Except as Previously Disclosed, there are and have been no releases from underground or above ground storage tanks or any other releases of Hazardous Materials or other conditions of contamination present at or released from any Real Property currently or, to the Company's Knowledge, formerly owned, operated, or otherwise used by the Company or any of its Subsidiaries or at any off-site location, for which the Company or any of its Subsidiaries has or could reasonably expect to incur material liability under or relating to Environmental Laws;

(6) To the Company's Knowledge, there are no past, present or reasonably anticipated future remediation, investigations, clean-ups, exposure of persons to Hazardous Materials or environmental conditions that could reasonably be expected to give rise to material obligations or material liabilities of the Company or any of its Subsidiaries under any Environmental Law; and

(7) The Company has delivered to Parent copies of, all material environmental reports, studies, assessments, sampling data and memoranda in its possession relating to the Company or its Subsidiaries or any of their current or former properties or activities.

(s) *Labor Matters*. Neither the Company nor any of its Subsidiaries is a party to or is otherwise bound by any collective bargaining agreement, contract or other agreement with a labor union or labor organization, and neither the Company nor any of its Subsidiaries is the subject of a proceeding asserting that the Company or any of its Subsidiaries has committed an unfair labor practice or seeking to compel the Company or any of its Subsidiaries to bargain with a labor union or labor organization. There is no pending or, to the Company's Knowledge, threatened, nor has there been since January 1, 2013, any labor strike, walk-out, work stoppage, slow-down lockout or similar material labor dispute involving the Company or any of its Subsidiaries. Since January 1, 2013, to the Company's Knowledge there has been no activity involving the Company or any of its Subsidiaries' employees seeking to certify a collective bargaining unit or engaging in any other organization activity.

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(t) *Benefit Arrangements*.

(1) The Company has Previously Disclosed a complete and correct list of all of its material Benefit Arrangements and all Benefit Arrangements that are employment, retention, change-in-control or severance plans or agreements. The Company has made available to Parent complete and correct copies of all material Benefit Arrangements and all Benefit Arrangements that are employment, retention, change-in-control or severance plans or agreements, including the current plan document and all amendments thereto and any related trust instruments, insurance contracts and loan agreements forming a part of any Benefit Arrangements, a written description of such Benefit Arrangement if not set forth in a written document, the most recently prepared actuarial report, and all material correspondence to or from any Governmental Authority in the last three (3) years (other than routine filings in the ordinary course) with respect to such Benefit Arrangement, and with respect to any "employee benefit plans" within the meaning of Section 3(3) of ERISA, the most recent summary plan descriptions and all summaries of material modifications thereto, the most recent IRS determination or opinion letter, and the two most recent annual reports on Form 5500 or 990 series and all schedules and financial statements attached thereto. The Company has Previously Disclosed a complete list of all employees of the Company or its Subsidiaries who may receive retention, severance or change-in-control payments, whether pursuant to a severance policy or otherwise, the amount of any such payments and the terms and conditions, including any plan, program or agreement, upon which such payments may become payable.

(2) The pricing for all outstanding and unexercised stock options to purchase shares of Company Common Stock (each, a "*Company Stock Option*") granted under the Company Stock Option Incentive Plan and any predecessor plan thereto and all agreements, notices and other documents related thereto (collectively, the "*Company Stock Plans*"), has been properly disclosed and accounted for in all material respects.

(3) All of the Company's Benefit Arrangements, other than "multiemployer plans" within the meaning of Section 3(37) of ERISA, are in substantial compliance with and have been operated and administered in all material respects in accordance with their respective terms and ERISA, the Code and other applicable Law. Each of the Company's Benefit Arrangements subject to ERISA that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA ("*Pension Plan*"), and that is intended to be qualified under Section 401(a) of the Code, has received a favorable determination, opinion or advisory letter, as applicable, from the IRS or has applied to the IRS for such letter within the applicable remedial amendment period under Section 401(b) of the Code, and the Company is not aware of any circumstances reasonably likely to result in the loss of the qualification of such Pension Plan under Section 401(a) of the Code. Each of the Company's Benefit Arrangements that is intended to be part of a voluntary employees' beneficiary association within the meaning of Section 501(c)(9) of the Code has (A) received or applied for an opinion letter from the IRS recognizing its exempt status under Section 501(c)(9) of the Code and (B) filed a timely notice with the IRS pursuant to Section 505(c) of the Code, and the Company is not aware of circumstances likely to result in the loss of the exempt status of such Benefit Arrangement under Section 501(c)(9) of the Code. There is no pending or, to the Company's Knowledge, threatened, litigation relating to the Company's Benefit Arrangements. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any of its Benefit Arrangements that, assuming the taxable period of such transaction expired as of the date hereof, would reasonably be expected to subject the Company or any of its Subsidiaries to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA in an amount that would be material. Neither the Company nor any of its

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Subsidiaries has incurred or reasonably expects to incur a tax or penalty imposed by Section 4980F of the Code or Section 502(c) or (i) of ERISA in an amount that would be material.

(4) No liability under Subtitle C or D of Title IV of ERISA or Section 412 or 413 of the Code has been or is reasonably expected to be incurred by the Company or any of its Subsidiaries with respect to any ongoing, frozen or terminated "single-employer plan", within the meaning of Section 4001(a)(15) of ERISA, "multiemployer plan", within the meaning of Section 3(37) of ERISA, or "multiple employer plan", within the meaning of Section 413(c) of the Code currently or formerly maintained or contributed to by any of them, or the single-employer plan, multiemployer plan or multiple employer plan of any Company ERISA Affiliate. Neither the Company nor any of its Subsidiaries has, currently or at any time within the last six (6) years, sponsored, maintained, contributed or been required to contribute to any "single employer plan", "multiemployer plan", or "multiple employer plan", each as defined in this paragraph.

(5) All contributions required to be made under the terms of any of the Company's Benefit Arrangements have been timely made and all obligations in respect of each of the Company's Benefit Arrangements have been properly accrued or reflected on its most recent consolidated financial statements included in the Company Financial Statements in all material respects.

(6) Except as Previously Disclosed, neither the Company nor any of its Subsidiaries has any obligations for post-employment or post-retirement health, medical or life insurance benefits under any Benefit Arrangement or collective bargaining agreement, except as required by COBRA. Either the Company or its Subsidiaries may amend or terminate any such plan at any time without incurring any liability thereunder other than in respect of claims incurred prior to such amendment or termination.

(7) Except as Previously Disclosed, there has been no amendment to, announcement by the Company or any of its Subsidiaries relating to, or change in employee participation or coverage under, any Benefit Arrangements that would materially increase the expense of maintaining such Benefit Arrangements above the level of the expense incurred therefor for the most recent fiscal year. Except as provided under the existing terms of the Benefit Arrangements Previously Disclosed, and as Previously Disclosed, neither the Company's execution of this Agreement, the performance of its obligations hereunder, the consummation of the transactions contemplated hereby, nor shareholder approval of the transactions contemplated hereby, either alone or in combination with another event, could (A) limit or restrict the Company's right or, following the consummation of the transactions contemplated hereby, Parent's right to administer, merge or amend in any respect or terminate any of the Company's Benefit Arrangements, (B) entitle any of the Company's employees or any employees of its Subsidiaries to severance pay or any increase in severance pay upon any termination of employment after the date hereof, or (C) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any of its Benefit Arrangements, except in the event such Benefit Arrangement is terminated in accordance with Section 6.12.

(8) Except as Previously Disclosed, without limiting the foregoing, as a result of the consummation of the transactions contemplated hereby (including as a result of the termination of the employment of any of its employees within a specified time of the Effective Time) no amounts paid or payable (whether in cash, property, or in the form of benefits) by the Company or any of its Subsidiaries will be an "excess parachute payment" to a

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"disqualified individual" as those terms are defined in Section 280G of the Code, without regard to whether such payment is reasonable compensation for personal services performed or to be performed in the future. Each Benefit Arrangement that provides for nonqualified deferred compensation subject to Section 409A of the Code has been and is, in all material respects, documented and operated in compliance with Section 409A of the Code. The parties acknowledge that this Section 5.2(t)(8) shall not apply to any Benefit Arrangements entered into at the discretion of Parent or between Parent and its affiliates, on the other hand, and a disqualified individual on the other hand ("*Parent Arrangements*") so that, for the avoidance of doubt, compliance with this Section 5.2(t)(8) shall be determined as if such Parent Arrangements had not been entered into.

(9) Neither the Company nor any of its Subsidiaries has any obligation to provide, and no Benefit Arrangement or other agreement provides any individual with the right to, a gross up, indemnification, reimbursement or other payment for any excise or additional taxes, interest or penalties incurred pursuant to Section 409A or Section 4999 of the Code or due to the failure of any payment to be deductible under Section 280G of the Code.

(u) *Property*.

(1) Except as Previously Disclosed, the Company has good, and, in the case of Owned Real Property, insurable, title to or, in the case of securities and investments, a "security entitlement" (as defined in the Uniform Commercial Code) in, or in the case of Leased Real Property, a valid and enforceable leasehold interest in, all property (whether real or personal, tangible or intangible, and including securities and investments) and assets purported to be owned or leased by the Company or any of its Subsidiaries, free and clear of all Liens except for Permitted Liens. No other person has any interest in any mineral, mining, oil or gas rights to produce or share in the production of anything related thereto, relating to any Owned Real Property. With regard to Owned Real Property, except as Previously Disclosed, the Company or Subsidiary has not leased or otherwise granted to any person the right to use or occupy such Owned Real Property or any portion thereof. With regard to Leased Real Property, except as Previously Disclosed, the Company, each Subsidiary of the Company and, to the Company's knowledge, each of the other parties thereto, has performed in all material respects all material obligations required to be performed by it under each Lease.

(2) The Company has Previously Disclosed and made available to Parent (i) a complete and accurate list of all Owned Real Property (including OREO) and Leased Real Property (together, the "*Real Property*") as of the date hereof, and (ii) complete and accurate copies of all Lease documents including leases, amendments, addendums, exhibits, letter agreements and similar documents relating to the Leased Real Property as of the date hereof. Neither the Company nor any of its Subsidiaries owns any residential Real Property as of the date hereof.

(v) *Material Contracts*.

(1) The Company has listed on Schedule 5.2(v)(1) of the Company's Disclosure Schedule and made available to Parent complete and correct copies of the following Contracts ("*Material Contracts*") to which the Company or any of its Subsidiaries is a party, or by which the Company or any of its Subsidiaries may be bound, or to which the Company or any of its Subsidiaries or the Company's or any of its Subsidiaries' respective assets or properties may be subject as of the date hereof:

(A) any lease of real or material personal property;

(B) any partnership, limited liability company, joint venture or other similar agreement or arrangement;

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(C) any Contract relating to the acquisition or disposition of any business or operations (whether by merger, sale of stock, sale of assets or otherwise) as to which there are any material ongoing obligations or that was entered into on or after January 1, 2013;

(D) any Contract for the purchase of services, materials, supplies, goods, equipment or other assets or property that provides for either (i) annual payments of $100,000 or more, or (ii) aggregate payments of $200,000 or more;

(E) any Contract that creates future payment obligations in excess of $100,000 in the aggregate and that by its terms does not terminate or is not terminable without penalty or other payment upon notice of sixty (60) days or less, or any Contract that creates or would create a Lien;

(F) any Contract providing for a power of attorney on behalf of the Company or any of its Subsidiaries;

(G) any Contract, other than this Agreement or as contemplated hereby, providing for exclusive dealing or limiting the freedom of the Company, its Subsidiaries or any of the current or former employees of the Company or any of its Subsidiaries to compete in any line of business or with any person or in any area, or that would so limit their freedom;

(H) any Contract, other than this Agreement, as to which there are material ongoing obligations the primary purpose of which is to disclose confidential information or require that the Company or any of its Subsidiaries guarantee, indemnify or hold harmless any person;

(I) any Contract, other than this Agreement, with (i) any Affiliate of the Company, (ii) any current or former director, officer, employee, consultant or shareholder of the Company or any Affiliate that provides for annual compensation in excess of $50,000, or (iii) any "associate" or member of the "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the Exchange Act) of a person identified in clauses (i) or (ii) of this paragraph;

(J) any Contract with a Governmental Authority; and

(K) any other Contract not entered into in the ordinary course of business.

(2) Each Material Contract is a valid and legally binding agreement of the Company or a Subsidiary of the Company, as applicable, and, to the Company's Knowledge, the counterparty or counterparties thereto, is enforceable in accordance with the terms of such Contract (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles) and is in full force and effect. Neither the Company nor any of its Subsidiaries, and, to the Company's Knowledge, any counterparty or counterparties, is in material breach of any provision of or in material default (or, with the giving of notice or lapse of time or both, would be in default) under, and has not taken any action resulting in the termination of, acceleration of performance required by, or resulting in a right of termination or acceleration under, any Material Contract.

(3) To the extent required by GAAP, all liabilities and obligations under the Material Contracts have been fully accrued for in the books and records of the Company.

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(4) The Company is in compliance with all obligations under each of the Investment Agreements, and no claim has been made against the Company by any person relating to, in connection with or arising from any of the Investment Agreements.

(w) *Material Interests of Certain Persons.* Except as Previously Disclosed, no officer or director of the Company or any of its Subsidiaries, or "associate" (as such term is defined in Rule 12b-2 under the Exchange Act) of any such officer or director, has any material interest in any material property (whether real or personal, tangible or intangible) or Material Contract of the Company or any of its Subsidiaries.

(x) *Insurance Coverage.* The Company and each of its Subsidiaries maintain commercially reasonable insurance coverage for normal risks incident to the respective businesses of the Company and each of its Subsidiaries and the respective properties and assets of the Company and each of its Subsidiaries. Such coverage is of a character and amount that is at least equivalent to that typically carried by persons engaged in similar businesses and subject to the same or similar perils or hazards. The Company has Previously Disclosed a complete and correct list of each Contract representing such coverage as of the date hereof.

(y) *Trust Business*.

(1) Since January 1, 2008, the Company and each of its Subsidiaries has, in all material respects, properly administered all instruments, indentures, declarations, contracts, agreements, wills, resolutions or other documents, and the accounts related thereto, under which the Company or any of its Subsidiaries acts or has acted as an executor, administrator, trustee, fiduciary, representative, agent (including a custodian, paying agent or escrow agent), conservator, guardian or in a similar capacity (collectively, "*Trust or Agency Agreements*" and "*Trust or Agency Accounts*"), in accordance with the terms thereof and all applicable Law. Since January 1, 2013, neither the Company nor any of its Subsidiaries has (A) been subject to any claim for material damages, surcharged, disqualified or removed from any capacity held under any Trust or Agency Agreement or (B) been subject to any claim or received written notice questioning the validity or enforceability of any Trust or Agency Agreement. The Company and each of its Subsidiaries is eligible and qualified to act under each Trust or Agency Agreement to which it is a party and is not prohibited by applicable Law from performing its respective duties and obligations under any Trust or Agency Agreement.

(2) Neither the Company nor any of its Subsidiaries has taken any action, nor failed to take any action, which would, or with the giving of notice or the passage of time or both could, (A) constitute a material default, breach or violation, including a violation or breach of any fiduciary duty, under any Trust or Agency Agreement, or (B) cause the Company or any of its Subsidiaries to be subject to a claim for material damages, or to be surcharged, disqualified or removed from any capacity held under any Trust or Agency Agreement.

(3) Each Trust or Agency Agreement, and any amendment or modification thereto, was duly executed and delivered (or accepted) by, and constitutes a legal, valid agreement and binding appointment of, applicability to or obligation of, the Company or one of its Subsidiaries, and, to the Company's Knowledge, each other party or beneficiary thereto (as applicable), in accordance with the term of those instruments.

(4) To the Company's Knowledge, there has been no event of default or violation of any duty by any other party with respect to any Trust or Agency Accounts, including any agent or third party vendor employed by the Company or its Subsidiaries to perform or provide services for any one or more Trust or Agency Account.

(5) To the Company's Knowledge, no event has occurred (including the execution and delivery of this Agreement and the consummation of the transactions contemplated herein)

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which would, or with the giving of notice or the passage of time or both could, constitute a default or violation of any duty by the Company or its subsidiaries or any other party to any Trust or Agency Agreement.

(6) All records kept by the Company and its Subsidiaries relating to or in connection with Trust or Agency Agreements ("*Trust or Agency Records*") have been maintained in all material respects in accordance with the Company's and its Subsidiaries' customary practice, all applicable Law and the applicable Trust or Agency Agreement. The Trust or Agency Records reflect all dispositions and acquisitions of assets and receipt and disbursement of funds, and the Company or any Subsidiary of the Company, as the case may be, maintains a system of internal accounting controls, policies and procedures sufficient to make it reasonable to expect that (A) such transactions are executed in accordance with management's general or specific authorizations, and (B) such transactions are recorded in all material respects in conformity with any applicable accounting principles and in such a manner as to permit preparation of financial statements in accordance with any applicable accounting principles, including applicable trust principal and income rules, and fiduciary standards and any other criteria applicable to such statements and to maintain accountability for assets.

(7) All assets held by the Company or any of its Subsidiaries pursuant to a Trust or Agency Agreement are in the possession or control of the Company or one of the Subsidiaries. The Company and its Subsidiaries regularly perform an audit comparing the assets required to be held by the Company or one of its Subsidiaries pursuant to the Trust or Agency Agreements against the assets actually held by the Company and its Subsidiaries pursuant to the Trust or Agency Agreements, and no such audit has indicated any material discrepancies.

(z) *Loans*.

(1) To the Company's Knowledge, each loan, revolving credit facility, letter of credit, lease or other extension of credit or commitment to extend credit, including any loan participation or syndication (collectively, "*Loans*"), made or entered into by the Company or any of its Subsidiaries is evidenced by written promissory notes, loan agreements or other evidences of indebtedness (and have not been subsequently modified by any oral commitments, extensions or waivers), which, together with all security agreements, mortgages, guarantees and other related documents, are valid and legally binding obligations of the Company or one of its Subsidiaries and, to the Company's Knowledge, the counterparty or counterparties thereto, are enforceable in accordance with their terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles), are in full force and effect and are in material compliance with all applicable Law. Each Loan was originated and has been serviced in (A) the ordinary course of business and consistent with past practices, (B) accordance with the Company's and its Subsidiaries' policies and procedures, a list of which is included in Schedule 5.2(z)(1) of the Company's Disclosure Schedule and copies of which have been made available to Parent, and (C) compliance in all material respects with all applicable Law. Each Loan, to the extent secured, is secured by a valid, enforceable and perfected Lien on the secured property described in the applicable security agreement. Neither the Company nor any of its Subsidiaries, and, to the Company's Knowledge, any counterparty or counterparties, is in material breach of any provision of or in material default (or, with the giving of notice or lapse of time or both, would be in default) under, and has not taken any action resulting in the termination of, acceleration of performance required by, or resulting in a right of termination or acceleration under, any Loan. The Company has Previously Disclosed a complete and correct list of all Loans that have been classified by it or any Governmental

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Authority as "Special Mention", "Substandard", "Loss", "Classified", "Criticized", "Watch", "Past Due", "Doubtful" or words of similar import as of May 31, 2016, and all Loans have been properly classified and risk rated by the Company and its Subsidiaries.

(2) The provisions for loan losses contained in the Company Financial Statements were established in accordance with past practices and experiences of the Company and its Subsidiaries and in accordance with the requirements of GAAP and are adequate thereunder.

(3) The Company has made available to Parent true and correct copies of the Loan files related to each individual Loan, note, borrowing arrangement and other commitment for credit relationships with a customer commitment greater than or equal to $50,000, in the case of consumer customers (as defined in the Company's loan files), and greater than or equal to $100,000, in the case of all other customers, between the Company or any of its Subsidiaries, on the one hand, and a single third party obligor, on the other hand, as of March 31, 2016, a list of which has been made available to Parent.

(4) Except as Previously Disclosed, none of the Contracts pursuant to which the Company or any of its Subsidiaries has sold any Loans or pools of, or participations in, Loans contains any obligation to repurchase or reacquire part or all of such Loans, any collateral related thereto or such pools or participations, and all Loans or pools of, or participations in, Loans sold by the Company or any of its Subsidiaries have been sold without recourse.

(aa) *Interest Rate Risk Management Instruments.* All interest rate swaps, caps, floors and other option agreements and other interest rate risk management arrangements (collectively, "*Interest Rate Instruments*"), whether entered into for the account of the Company or one of its Subsidiaries or for the account of a customer of the Company or one of its Subsidiaries, were entered into in the ordinary course of business and in accordance with applicable Law. All Interest Rate Instruments are valid and legally binding obligations of the Company or one of its Subsidiaries and, to the Company's Knowledge, the counterparty or counterparties thereto, are enforceable in accordance with their terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles) and are in full force and effect. Neither the Company nor any of its Subsidiaries, and, to the Company's Knowledge, any counterparty or counterparties, is in material breach of any provision of or in material default (or, with the giving of notice or lapse of time or both, would be in default) under, and has not taken any action resulting in the termination of, acceleration of performance required by, or resulting in a right of termination or acceleration under, any Interest Rate Instrument. The Company has Previously Disclosed a complete and correct list of all Interest Rate Instruments as of the date hereof.

(bb) *Sufficiency of Assets.* The Company and each of its Subsidiaries own good and marketable title to, or have the valid right to use under a lease or license of, all the material assets and rights used in the operation of the Company's and each of its Subsidiaries', as applicable, businesses as currently conducted. Such assets and rights constitute all of the material assets, tangible and intangible, of any nature whatsoever, used in the operation of such businesses as currently conducted.

(cc) *Collateralized Debt Obligations.* All collateralized debt obligations owned by the Company and its Subsidiaries satisfy all conditions contained in 12 C.F.R. § 44.16 and 12 C.F.R. § 248.16, as applicable, necessary to permit the Company and its Subsidiaries to continue holding such collateralized debt obligations in accordance with applicable Law and have been Previously Disclosed.

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(dd) *Mortgage Banking Activities.* To the Company's Knowledge, all Mortgage Loans have been originated, processed, underwritten, closed, funded, insured, sold or acquired, serviced and subserviced (including all loan application, loss mitigation, loan modification, foreclosure and real property administration activities), and all disclosures required by applicable Law made by the Company or any of its Subsidiaries in connection with the Mortgage Loans have been provided to the borrowers thereof, in each case, in accordance with all applicable Law in all material respects. To the Company's Knowledge, no Mortgage Loans were originated by any person other than the Company or one of its Subsidiaries. No fraud or material error, omission, misrepresentation, mistake or similar occurrence has occurred on the part of the Company or its Subsidiaries or, to the Company's Knowledge, any third-party servicer in connection with the origination or servicing of any of the Mortgage Loans. Except as Previously Disclosed, neither the Company nor any of its Subsidiaries has any obligation or potential obligation to repurchase or re-acquire from any person any Mortgage Loan or any collateral securing any Mortgage Loan, whether by Contract or otherwise. The Company has Previously Disclosed a complete list of each repurchase claim that the Company or any of its Subsidiaries has been subject to over the past two (2) years in respect of any Mortgage Loan, the circumstances as to each such matter, and the resolution or status of each such matter.

(ee) *No Other Representations or Warranties*.

(1) Except for the representations and warranties made by the Company in this Agreement, neither the Company nor any other person makes any express or implied representation or warranty with respect to the Company, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties.

(2) The Company acknowledges and agrees that neither Parent nor any other person has made or is making any express or implied representation or warranty other than those contained in this Agreement.

5.3 *Representations and Warranties of Parent.* Except as Previously Disclosed, Parent hereby represents and warrants to the Company as follows:

(a) *Organization, Standing and Authority.* Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois. Parent is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or leasing of its assets or property or the conduct of its business requires such qualification, except for any failure to be so qualified that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Parent.

(b) *Parent Stock.* As of the date hereof, the authorized capital stock of Parent consists of 150,000,000 shares of Parent Common Stock and 1,000,000 shares of Parent Preferred Stock. As of the business day immediately preceding the date hereof, 81,388,737 shares of Parent Common Stock (which number includes 930,601 shares of Parent Common Stock granted in respect of outstanding Parent Restricted Stock Awards) and no shares of Parent Preferred Stock are outstanding. As of the business day immediately preceding the date hereof, (1) 466,394 shares of Parent Common Stock are subject to Parent Stock Options granted under the Parent Stock Plans, (2) 89,238 shares of Parent Common Stock are reserved for issuance upon settlement of outstanding Parent Restricted Stock Unit Awards granted under the Parent Stock Plans and (3) 745,057 shares of Parent Common Stock are reserved for issuance upon settlement of outstanding Parent Performance Share Awards (assuming maximum performance) granted under the Parent Stock Plans. The outstanding shares of Parent Common Stock have been duly authorized and are validly issued and outstanding, fully paid and non-assessable and are not

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subject to preemptive rights (and were not issued in violation of any preemptive rights). Except pursuant to this Agreement, Parent Restricted Stock Awards, Parent Stock Options, Parent Restricted Stock Unit Awards and Parent Performance Share Awards, in each case, issued as of the date hereof, and the Parent Stock Plans, as of the date hereof, Parent does not have any Rights issued or outstanding, any shares of Parent Stock reserved for issuance, or any commitment or agreement that obligates Parent to authorize, issue, transfer, purchase, redeem, sell or otherwise acquire any Parent Stock or any Rights. The shares of Parent Common Stock to be issued in the Merger, when so issued in accordance with this Agreement, will have been duly authorized and validly issued and will be fully paid and non-assessable and not subject to any preemptive rights (and will not have been issued in violation of any preemptive rights).

(c) *Significant Subsidiaries*.

(1) Parent owns, directly or indirectly, all the outstanding equity securities of its Significant Subsidiaries free and clear of Liens, and all such equity securities have been duly authorized and are validly issued and outstanding, fully paid and non-assessable. No equity securities of any of Parent's Significant Subsidiaries are or may become required to be issued (other than to it or its wholly owned Subsidiaries) by reason of any Right or otherwise. There are no contracts, commitments, arrangements or understandings by which Parent or any of its Significant Subsidiaries is or may become bound to sell or otherwise transfer any equity securities of any of Parent's Significant Subsidiaries (other than to Parent or one of its wholly owned Subsidiaries). There are no contracts, commitments, arrangements or understandings by which Parent or any of its Significant Subsidiaries is or may become bound that relate to Parent's or any of its Significant Subsidiaries' rights to vote or dispose of any equity securities of any of Parent's Significant Subsidiaries. Each of Parent's Significant Subsidiaries that is a bank (as defined in the BHC Act) is an "insured bank" as defined in the Federal Deposit Insurance Act.

(2) Each of Parent's Significant Subsidiaries has been duly organized and is validly existing in good standing under the Laws of the jurisdiction of its organization, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or leasing of its assets or property or the conduct of such Significant Subsidiary's business requires such qualification, except for any failure to be so qualified that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Parent.

(d) *Power.* Parent and each of its Subsidiaries (including Merger Sub) has the corporate (or comparable) power and authority to own and operate their respective assets and properties and to conduct their respective business as such businesses are now being conducted. Parent and each of its Subsidiaries (including Merger Sub) has the corporate (or comparable) power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(e) *Authority.* Parent has duly executed and delivered this Agreement and has taken all corporate action necessary for it to execute and deliver this Agreement. Each of Parent's Subsidiaries (including Merger Sub) to be party to any document or agreement in connection with the transactions contemplated hereby has taken all corporate (or comparable) action necessary for it to execute and deliver such document or agreement. Subject only to (1) the approval of the issuance of Parent Common Stock in the Merger (the "*Parent Common Stock Issuance*") by holders of a majority of the total votes cast by holders of Parent Common Stock on the Parent Common Stock Issuance at the Parent Meeting and (2) the receipt of the affirmative vote of Parent, as holder of all outstanding shares of common stock issued by Parent Bank Sub, this Agreement, the Merger and the transactions contemplated hereby have been authorized by all necessary corporate

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action on the part of Parent and each of its Subsidiaries. This Agreement is Parent's valid and legally binding obligation, enforceable in accordance with its terms.

(f) *Consents and Approvals.* No notices, applications or other filings are required to be made by Parent or any of its Subsidiaries with, nor are any consents, approvals, registrations, permits, expirations of waiting periods or other authorizations required to be obtained by Parent or any of its Subsidiaries from, any Governmental Authority or third party in connection with the execution, delivery or performance by Parent of this Agreement or the consummation of the transactions contemplated hereby, except for (1) filings of applications and notices with, receipt of approvals or no objections from, and the expiration of related waiting periods, required by federal and state banking authorities, including applications and notices under the BHC Act and the Bank Merger Act with the Board of Governors of the Federal Reserve System (acting through the appropriate Federal Reserve Bank as allowed), and applications and notices (including those required under the Illinois Banking Act) to the Illinois Department of Financial and Professional Regulation, (2) receipt of the stockholder approval described in Section 5.3(e), (3) filing of the Registration Statement with the SEC, and declaration by the SEC of the effectiveness of the Registration Statement under the Securities Act, (4) filings of any required applications and notices with, and receipt of any required approvals from, any Governmental Authority with responsibility for enforcing any state securities Law, (5) the filing of the Articles of Merger with respect to the Merger, the certificate of merger and articles of merger with respect to the Parent Merger and the articles of merger with respect to the Bank Merger, and (6) filings with applicable securities exchanges to obtain the listing authorizations contemplated by this Agreement.

(g) *No Defaults.* Subject to making the filings and receiving the consents and approvals referred to in Section 5.3(f), and the expiration of the related waiting periods, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby do not and will not violate or conflict with in any material respect, require a consent or approval under, result in a breach of, constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, result in the right of termination of, accelerate the performance required by, increase any amount payable under, change the rights or obligations under, or give rise to any Lien or penalty under, the terms, conditions or provisions of (1) Parent's Constituent Documents or those of its Subsidiaries, (2) any contract, commitment, agreement, arrangement, understanding, indenture, lease, policy or other instrument of Parent or any of its Subsidiaries, or by which Parent or any of its Subsidiaries is bound or affected, or to which Parent or any of its Subsidiaries or Parent's or any of its Subsidiaries' respective businesses, operations, assets or properties is subject or receives benefits or (3) any Law.

(h) *Financial Advisors.* None of Parent, its Subsidiaries or any of Parent's or any of its Subsidiaries' directors, officers or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated hereby, except that, in connection with this Agreement, Parent has retained Sandler O'Neill & Partners, L.P. as its financial advisor.

(i) *Financial Reports and Regulatory Filings.*

(1) Parent's Annual Reports on Form 10-K for the years ended December 31, 2014 and 2015, and all other reports, registration statements, definitive proxy statements or information statements filed by it or any of its Subsidiaries subsequent to January 1, 2014 under the Securities Act, or under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, in the form filed with the SEC or as thereafter amended prior to the date hereof (collectively, the "*Parent SEC Filings*"), as of the date filed or amended prior to the date hereof, as the case may be, (A) complied or will comply in all material respects as to form with the applicable requirements under the Securities Act or the Exchange Act, as the case may be, and (B) did

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not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each of the statements of financial position contained in or incorporated by reference into any of the Parent SEC Filings (including the related notes and schedules) fairly presented or will fairly present in all material respects Parent's financial position and that of its Subsidiaries as of the date of such statement, and each of the statements of income, comprehensive income and changes in stockholders' equity and cash flows in the Parent SEC Filings (including any related notes and schedules thereto) fairly presented or will fairly present in all material respects, the results of operations, changes in stockholders' equity and changes in cash flows, as the case may be, of Parent and its Subsidiaries for the periods to which those statements relate, in each case in accordance with GAAP consistently applied during the periods involved, except in each case as may be noted therein, and subject to normal year-end audit adjustments and as permitted by Form 10-Q in the case of unaudited statements.

(2) Parent (A) has designed disclosure controls and procedures to ensure that material information relating to Parent, including its consolidated Subsidiaries, is made known to the management of Parent by others within those entities, and (B) has disclosed, based on its most recent evaluation prior to the date hereof and to Parent's Knowledge, to Parent's auditors and the audit committee of the board of directors of Parent (i) any significant deficiencies in the design or operation of internal controls which could adversely affect in any material respect Parent's ability to record, process, summarize and report financial data and has identified for Parent's auditors any material weaknesses in internal controls and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal controls.

(3) Since January 1, 2013, Parent and each of its Subsidiaries have filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any applicable Governmental Authorities. As of their respective dates (and without giving effect to any amendments or modifications filed after the date of this Agreement with respect to reports and documents filed before the date of this Agreement), each of such reports and documents, including the financial statements, exhibits and schedules thereto, complied with all of the statutes, rules and regulations enforced or promulgated by the Governmental Authority with which they were filed.

(j) *Absence of Certain Changes.* Since December 31, 2015, no event has occurred or fact or circumstance has arisen that, individually or taken together with all other events, facts and circumstances, has had or is reasonably likely to have a Material Adverse Effect on Parent. As of the date hereof, to the extent required by GAAP, all material liabilities and material obligations of Parent and its Subsidiaries have been reflected, disclosed or reserved against in the Parent SEC Filings, and since December 31, 2015 through the date hereof, other than in the ordinary and usual course of business consistent with past practice, Parent and its Subsidiaries have not incurred any material obligation or liability, whether or not accrued, contingent or otherwise required to be reflected on a balance sheet (or notes thereto) prepared in accordance with GAAP.

(k) *Litigation.* There is no action, suit, claim, hearing, dispute, investigation or proceeding pending or, to Parent's Knowledge, threatened against or affecting Parent or any of its Subsidiaries (and Parent is not aware of any basis for any such action, suit, claim, hearing, dispute, investigation or proceeding), nor is there any judgment, order, decree, injunction or ruling of any Governmental Authority or arbitration outstanding against Parent or any of its Subsidiaries (or in the process of being issued), except, in each case, as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Parent.

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(l) *Compliance with Laws.* Parent and each of its Subsidiaries:

(1) conducts its business in all material respects in compliance with all Law applicable thereto or to the employees conducting such businesses;

(2) currently has a rating of "Satisfactory" or better under the Community Reinvestment Act of 1977;

(3) has all material permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities that are required in order to permit it to own or lease its assets and properties and to conduct its business as it is now being conducted, and all such material permits, licenses, authorizations, orders and approvals are in full force and effect and, to its Knowledge, no suspensions or cancellations are threatened;

(4) has received, since January 1, 2013, no written notification from a Governmental Authority (A) asserting that it is not in material compliance with any of the Laws that such Governmental Authority enforces, (B) threatening to suspend, cancel, revoke or condition the continuation of any material permit, license, authorization, order or approval or (C) restricting or disqualifying, or threatening to restrict or disqualify, its activities, except, in the case of each of clauses (A), (B) and (C), as would not, individually or in the aggregate, be material to Parent and its Subsidiaries, taken as a whole; and

(5) is in substantial compliance with all applicable NASDAQ listing and corporate governance standards.

(m) *Regulatory Matters.* As of the date hereof, neither Parent nor any of its Subsidiaries is subject to, or has been advised that Parent or any of its Subsidiaries is reasonably likely to become subject to, any written order, decree, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or extraordinary supervisory letter from, or adopted any extraordinary board resolutions at the request of, any Governmental Authority charged with the supervision or regulation of financial institutions or issuers of securities or engaged in the insurance of deposits or otherwise involved with the supervision or regulation of Parent or any of its Subsidiaries.

(n) *Available Funds.* Parent has or will have available to it funds necessary to satisfy its obligations in connection with the Merger and the transactions contemplated hereby.

(o) *Ownership of Company Common Stock.* Except for shares of Company Common Stock that Parent or any of its Subsidiaries may hold as an executor, administrator, trustee, agent, guardian, fiduciary or in a similar capacity for another person, neither Parent nor any of its Subsidiaries is the record owner or "beneficial owner", as such term is used in Section 13(d) of the Exchange Act, and the rules and regulations of the SEC thereunder, of any shares of Company Common Stock as of immediately prior to the execution and delivery of this Agreement.

(p) *Ownership and Operation of Merger Sub.* As of the date of this Agreement, the authorized capital stock of Merger Sub consists of 100 shares of Merger Sub Stock, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Merger Sub is, and at the Effective Time will be, owned by Parent or a direct or indirect wholly owned Subsidiary of Parent. Merger Sub has not conducted any business other than (x) incident to its formation for the sole purpose of carrying out the transactions contemplated by this Agreement and (y) in relation to this Agreement, the Merger and the other transactions contemplated hereby.

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(q) *Environmental Matters.* Except as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on Parent:

(1) The operations, assets and properties of Parent and each of its Subsidiaries are and have at all times since January 1, 2008 been in compliance with applicable Environmental Laws;

(2) Parent and each of its Subsidiaries has obtained, and is in material compliance with, all authorizations, licenses and permits required under Environmental Laws required in connection with the occupancy of their assets and properties and the operation of their respective businesses as presently conducted;

(3) There are no proceedings, claims, actions, notices of violation or investigations of any kind, pending or, to Parent's Knowledge, threatened, against Parent any of its Subsidiaries or any asset or property owned by Parent or any such Subsidiary in any court, agency or arbitral body or by any Governmental Authority, arising under or relating to any Environmental Law, and to Parent's Knowledge there is no reasonable basis for any such pending or threatened proceeding, claim, action, notice of violation or investigation;

(4) There are no agreements, orders, judgments, decrees or settlements involving Parent or any of its Subsidiaries, or with respect to any asset or property owned by Parent or any such Subsidiary by or with any court, regulatory agency, Governmental Authority or private person, imposing liability or obligations under or relating to any Environmental Law;

(5) There are no releases from underground or above ground storage tanks or any other releases of Hazardous Materials or other conditions of contamination present at or released from any asset or property currently, or to Parent's Knowledge, formerly owned, operated or otherwise used by Parent or any of its Subsidiaries or at any off-site location, for which Parent or any of its Subsidiaries has or could reasonably expect to incur liability under or relating to Environmental Laws; and

(6) To Parent's Knowledge, there are no past, present or reasonably anticipated future remediation, investigations clean-ups, exposure of persons to Hazardous Materials or environmental conditions that could reasonably be expected to give rise to obligations or liabilities of Parent or any of its Subsidiaries under any Environmental Law.

(r) *ERISA.* All of the Parent's Benefit Arrangements, other than "multiemployer plans" within the meaning of Section 3(37) of ERISA, are in substantial compliance with and have been operated and administered in all material respects in accordance with their respective terms and ERISA, the Code and other applicable laws. Each of the Parent's Benefit Arrangements subject to ERISA that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA ("*Pension Plan*"), and that is intended to be qualified under Section 401(a) of the Code, has received a favorable determination, opinion or advisory letter, as applicable, from the IRS or has applied to the IRS for such letter within the applicable remedial amendment period under Section 401(b) of the Code, and the Company is not aware of any circumstances reasonably likely to result in the loss of the qualification of such Pension Plan under Section 401(a) of the Code. None of the Parent, any of its Subsidiaries or any Parent ERISA Affiliate has incurred or reasonably expects to incur any liability or obligation under Title IV of ERISA (other than the timely payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business) or a lien pursuant to Section 430(k) of the Code or Section 303(k) of ERISA.

(s) *Loans.* To Parent's Knowledge, each Loan made or entered into by Parent or any of its Subsidiaries is evidenced by written promissory notes, loan agreements or other evidences of indebtedness (and have not been subsequently modified by any oral commitments, extensions or waivers), which, together with all security agreements, mortgages, guarantees and other related

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documents, are valid and legally binding obligations of Parent or one of its Subsidiaries and, to Parent's Knowledge, the counterparty or counterparties thereto, are enforceable in accordance with their terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles), are in full force and effect and are in material compliance with all applicable Law. To Parent's Knowledge, each Loan was originated and has been serviced in (A) the ordinary course of business and consistent with past practices, (B) accordance with Parent's and its Subsidiaries' policies and procedures, copies of which have been made available to the Company, and (C) compliance in all material respects with all applicable Law. To Parent's Knowledge, each Loan, to the extent secured, is secured by a valid, enforceable and perfected Lien on the secured property described in the applicable security agreement.

(t) *No Other Representations or Warranties*.

(1) Except for the representations and warranties made by Parent in this Agreement, neither Parent nor any other person makes any express or implied representation or warranty with respect to Parent, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Parent hereby disclaims any such other representations or warranties.

(2) Parent acknowledges and agrees that neither the Company nor any other person has made or is making any express or implied representation or warranty other than those contained in this Agreement.

ARTICLE 6

Covenants

6.1 *Commercially Reasonable Efforts*.

(a) Subject to the terms and conditions of this Agreement and prior to the Effective Time, the Company and Parent will use commercially reasonable efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, proper, desirable or advisable under applicable Law, so as to permit consummation of the Merger and the Subsequent Mergers as promptly as practicable and otherwise to enable consummation of the transactions contemplated hereby, and each will cooperate with, and furnish information to, the other party to that end.

(b) The Company and Parent will give prompt notice to the other of any fact, event or circumstance known to it that (1) is reasonably likely, individually or taken together with all other facts, events and circumstances known to it, to result in any Material Adverse Effect with respect to it or (2) would cause or constitute a breach of any of its representations, warranties, covenants or agreements contained herein that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a condition in Article 7.

(c) From time to time on or prior to the Closing Date, the Company and Parent shall promptly, after it becomes aware, supplement any of its representations and warranties with respect to any fact, change, event or circumstance that has had or is reasonably be likely to have a Material Adverse Effect on it or which it believes would or would be reasonably likely to cause or constitute a material breach of any of its representations, warranties or covenants contained herein by delivering a supplemental Disclosure Schedule ("*Supplemental Disclosure Schedule*"); provided that any failure to give notice in accordance with the foregoing with respect to any breach shall not be deemed to constitute a violation of this Section 6.1(c) or the failure of any condition set forth in Section 7.2 or Section 7.3 to be satisfied, or otherwise constitute a breach of this Agreement by the party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set

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forth in Section 7.2 or Section 7.3. The information contained in any such Supplemental Disclosure Schedule shall not be deemed to have modified any of the representations and warranties of the Company or Parent contained in this Agreement or be considered Previously Disclosed unless it is expressly accepted as such in writing by the other party.

6.2 *Stockholder Approvals*. (a) As promptly as practicable following the date upon which the Registration Statement, filed pursuant to Section 6.5, shall have become effective (but in any event within forty-five (45) days thereof), the Company Board will submit to its shareholders the Company Shareholder Matters and any other matters required to be approved or adopted by such shareholders in order to carry out the intentions of this Agreement and the transactions contemplated hereby. In furtherance of that obligation, the Company will take, in accordance with applicable Law and its Constituent Documents, all action necessary, proper, desirable or advisable to convene a meeting of its shareholders (including any adjournment or postponement, the "*Company Meeting*") as promptly as practicable (but in any event within forty-five (45) days of the Registration Statement becoming effective) to consider and vote upon approval of the Company Shareholder Matters and any such other matters. The Company and the Company Board, as applicable, will each use its reasonable best efforts to obtain from each class of the Company's shareholders the required vote to approve the Company Shareholder Matters and any such other matters, including soliciting proxies through the Joint Proxy Statement in accordance with applicable Law and recommending that the Company's shareholders vote in favor of the Company Shareholder Matters (and including such recommendation in the Joint Proxy Statement). The Company shall provide Parent with a reasonable opportunity to review and comment upon all proxy materials prior to the distribution of such proxy materials to shareholders of the Company and all such proxy materials shall be reasonably satisfactory to Parent prior to the distribution thereof. However, if the Company Board, after consultation with outside advisors including its outside legal counsel and, with respect to financial matters, its financial advisors, determines in good faith that continuing to recommend this Agreement and the Company Shareholder Matters would result in a violation of its fiduciary duties under applicable Law, then, in submitting this Agreement and the Merger to the Company Meeting, the Company Board may withhold or withdraw or modify in a manner adverse to Parent its recommendation that Company's shareholders approve this Agreement or submit this Agreement to its shareholders without recommendation (although the resolutions approving this Agreement as of the date hereof may not be rescinded or amended), in which event the Company Board may communicate the basis for its lack of a recommendation to the shareholders in the Joint Proxy Statement or an appropriate amendment or supplement thereto to the extent required by law; *provided* that the Company Board may not take any actions under this sentence until after giving Parent at least five (5) business days to respond to such Acquisition Proposal or other event or circumstances giving rise to the determination by the Company Board to take such action (and, in the event such action is taken in response to an Acquisition Proposal, after giving Parent notice of the third party in the Acquisition Proposal and the material terms and conditions of the Acquisition Proposal) and then taking into account any amendment or modification to this Agreement proposed by Parent. Any material amendment to any Acquisition Proposal will be deemed to be a new Acquisition Proposal for purposes of this Section 6.2 and will require a new notice period as referred to in this Section 6.2. Nothing in this Agreement shall be interpreted to excuse (1) the Company or the Company Board from complying with its obligation to submit this Agreement and the other Company Shareholder Matters to its shareholders at the Company Meeting or (2) any party to a Common Voting Agreement from complying with its obligations thereunder. Neither the Company nor the Company Board shall submit any Acquisition Proposal other than the Merger to the vote of its shareholders unless this Agreement shall have first been terminated in accordance with its terms.

(b) The Company shall adjourn or postpone the Company Meeting if, as of the time for which such meeting is originally scheduled, there are insufficient shares of Company Voting Common Stock or Company Non-Voting Common Stock, as applicable, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if on the date of such

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meeting, the Company has not received proxies representing a sufficient number of shares necessary to approve all of the Company Shareholder Matters, and the Company shall continue to use all reasonable best efforts to assist in the solicitation of proxies from shareholders relating to the approval of the Company Shareholder Matters. The Company shall only be required to adjourn or postpone the Company Meeting twice pursuant to this Section 6.2(b). Notwithstanding anything to the contrary herein, unless this Agreement has been terminated in accordance with its terms, the Company Meeting shall be convened, and the Company Shareholder Matters shall be submitted to the shareholders of the Company at the Company Meeting for approval in accordance with the terms of this Agreement, and nothing contained herein shall be deemed to relieve the Company of such obligation.

(c) As promptly as practicable following the date upon which the Registration Statement, filed pursuant to Section 6.5, shall have become effective (but in any event within forty-five (45) days thereof), the Board of Directors of Parent will submit to its stockholders the Parent Common Stock Issuance. In furtherance of that obligation, Parent will take, in accordance with applicable Law and its Constituent Documents, all action necessary, proper, desirable or advisable to convene a meeting of its stockholders (including any adjournment or postponement, the "*Parent Meeting*") as promptly as practicable (but in any event within forty-five (45) days of the Registration Statement becoming effective) to consider and vote upon approval of the Parent Common Stock Issuance. Parent and the Board of Directors of Parent, as applicable, will use its reasonable best efforts to obtain from Parent's stockholders a vote approving the Parent Common Stock Issuance, including soliciting proxies through the Joint Proxy Statement in accordance with applicable Law and recommending that Parent's stockholders vote in favor of the Parent Common Stock Issuance (and including such recommendation in the Joint Proxy Statement).

(d) Parent and the Company shall cooperate to schedule and convene the Parent Meeting and the Company Meeting on the same date. Each party shall cooperate and keep the other party informed on a current basis regarding its solicitation efforts and voting results following the dissemination of the Joint Proxy Statement to the stockholders of each party.

6.3 *Regulatory Applications; Third-Party Consents*.

(a) Prior to the Effective Time, the Company and Parent and their respective Subsidiaries will cooperate and use reasonable best efforts to prepare as promptly as practicable all documentation, to make all filings and to obtain all consents, approvals, permits and other authorizations of all Governmental Authorities necessary to consummate the Merger and the other transactions contemplated hereby, including the Subsequent Mergers, or those the failure of which to be obtained would reasonably be likely to have, individually or in the aggregate, a material and adverse effect on Parent or the Surviving Corporation, (the "*Requisite Regulatory Approvals*"), and to make and obtain all other Required Third-Party Consents; notwithstanding the foregoing, Parent and the Company will use reasonable best efforts to prepare and file, or cause their respective Subsidiaries to prepare and file, any applications, notices and filings required in order to obtain the Requisite Regulatory Approvals within twenty-five (25) days of the date of this Agreement. Each of the Company and Parent will have the right to review in advance, and to the extent practicable, each will consult with the other, in each case subject to applicable Law relating to the exchange of information, with respect to all material written information submitted to any third party or any Governmental Authority in connection with the Requisite Regulatory Approvals and the Required Third-Party Consents, other than any information which is otherwise confidential. In exercising the foregoing right, each of the parties will act reasonably and as promptly as practicable. Each party agrees that it will consult with the other party with respect to obtaining all material permits, consents, approvals and authorizations of all third parties and Governmental Authorities necessary or advisable to consummate the transactions contemplated hereby, and each party will keep the other party appraised of the status of material matters relating to completion of the transactions contemplated hereby.

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(b) The Company and Parent will, upon request (but subject to applicable confidentiality requirements), furnish the other party with all information concerning itself, its Affiliates, directors, officers and stockholders and such other matters as may be reasonably necessary, proper, desirable or advisable in connection with any filing, notice or application made by or on behalf of such other party or any of its Affiliates with or to any third party or Governmental Authority in connection with the transactions contemplated hereby and to respond to any comment letters received in connection therewith.

(c) Notwithstanding the foregoing or anything else in this Agreement:

(1) The Company (or any Subsidiary thereof) shall not amend, modify, extend, supplement or waive any of the material terms and conditions of any Material Contract without the prior written consent of Parent, nor shall the Company or any Subsidiary thereof, without the prior written consent of Parent, pay or commit to pay to any person whose consent, waiver or approval is being sought any cash or other consideration, make any accommodation or commitment to incur any liability or other obligation to such person in connection with such consent, waiver or approval, except for immaterial customary fees and expenses expressly imposed by the terms of any such Material Contract; *provided* that in connection therewith, Parent shall not unreasonably withhold, condition or delay its consent; and

(2) Nothing shall require Parent to, and the Company and its Subsidiaries shall not, without the prior written consent of Parent, agree to, take any action or commit to take any action in connection with, or agree to any condition on, or request with respect to, any Requisite Regulatory Approval that would (i) materially and adversely affect the business, operations or financial condition of Parent (measured on a scale relative to the Company and its Subsidiaries, taken as a whole), (ii) require Parent or any of its Subsidiaries to make any material covenants or commitments, or complete any divestitures, whether prior to or subsequent to the Closing, (iii) result in a Material Adverse Effect on the Company and its Subsidiaries, taken as a whole or (iv) or restrict in any material respect or impose a material burden on Parent or any of its Subsidiaries (including, after the Effective Time, the Company and its Subsidiaries) in connection with the transactions contemplated hereby or with respect to the business or operation of Parent or any of its Subsidiaries (including, after the Effective Time, the Company and its Subsidiaries) (for purposes of clause (iv), materiality shall be measured on a scale relative to the Company and its Subsidiaries, taken as a whole) (a "*Burdensome Condition*").

6.4 *Exchange Listing.* Parent will use reasonable best efforts to cause the shares of Parent Common Stock to be issued in the Merger to be approved for listing on NASDAQ, subject to official notice of issuance, as promptly as practicable, and in any event before the Effective Time.

6.5 *SEC Filings.*

(a) Parent will prepare a registration statement on Form S-4 or other applicable form (the "*Registration Statement*") to be filed by Parent with the SEC in connection with the issuance of Parent Common Stock in the Merger (including the notice, proxy statement and prospectus and other proxy solicitation materials of the Company and Parent constituting a part thereof (the "*Joint Proxy Statement*") and all related documents). The parties agree to cooperate, and to cause their Subsidiaries to cooperate, with the other party, its counsel and its accountants, in the preparation of the Registration Statement and the Joint Proxy Statement and to use their reasonable best efforts to cause the filing of the Registration Statement with the SEC within sixty (60) days following the date of this Agreement. Parent will use all reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as reasonably practicable after filing thereof and to maintain the effectiveness (including by filing any necessary amendments or supplements) of such Registration Statement until the Effective Time. Parent also agrees to use all reasonable best efforts to obtain all necessary state securities Law or "Blue Sky" permits and approvals required to carry out the transactions contemplated hereby. The Company agrees to promptly furnish to Parent all information

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concerning the Company, its Affiliates, officers, directors and shareholders as may be reasonably requested in connection with the foregoing, in a form appropriate (or from which such information can be derived in a commercially reasonable manner) for usage in such document or any such other use.

(b) The Company and Parent each agrees, as to itself and its Affiliates, that none of the information supplied or to be supplied by it for inclusion or incorporation by reference in (1) the Registration Statement will, at the time the Registration Statement and each amendment or supplement thereto, if any, becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (2) the Joint Proxy Statement and any amendment or supplement thereto will, at the date of mailing to shareholders and at the time of the Company Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which such statement was made, not misleading. The Company and Parent each further agrees that if it becomes aware that any information furnished by it would cause any of the statements in the Joint Proxy Statement or the Registration Statement to be false or misleading with respect to any material fact, or to omit to state any material fact necessary to make the statements therein not false or misleading, to promptly inform the other party thereof and to take appropriate steps to correct the Joint Proxy Statement or the Registration Statement.

(c) Parent shall promptly provide the Company with all comment letters from the SEC or its Staff pertaining to the Registration Statement or the Joint Proxy Statement relating to the Company. The Company will, upon request, promptly furnish Parent with all information concerning itself, its Affiliates, directors, officers and shareholders and such other matters as may be reasonably necessary, proper, desirable or advisable in order for Parent to respond promptly to any comments received from the SEC. Parent will advise the Company, promptly after Parent receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of Parent Common Stock for offering or sale in any jurisdiction, of the initiation or threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Registration Statement or for additional information.

6.6 *Press Releases.* Each party will consult with the other before issuing any press release, employee communication or other shareholder communication with respect to the Merger or this Agreement and will not issue any such press release or make any such communication without the prior written consent of such other party, which will not be unreasonably withheld or delayed; *provided* that a party may, without the prior written consent of the other party (but after prior consultation, to the extent practicable in the circumstances), issue such press release or make such communication as may be required by applicable Law or securities exchange rules. The Company and Parent will cooperate to develop all public communications of the Company and make appropriate members of management available at presentations related to the transactions contemplated hereby as reasonably requested by the other party.

6.7 *Acquisition Proposals.* The Company agrees that it will not, and will cause its Subsidiaries and its and its Subsidiaries' Representatives, agents, advisors and affiliates not to, solicit or encourage in any way inquiries or proposals with respect to, or engage in any negotiations concerning, or provide any confidential nonpublic information to, or have any discussions with, any person relating to, any Acquisition Proposal; *provided* that, in the event the Company receives an unsolicited *bona fide* Acquisition Proposal and the Company Board concludes in good faith, after consultation with its outside legal counsel and financial advisor, that such Acquisition Proposal constitutes a Superior Proposal, the Company may, and may permit its Subsidiaries and its and its Subsidiaries' Representatives to, furnish or cause to be furnished nonpublic information and participate in such negotiations or discussions if the Company Board concludes in good faith, after consultation with its

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outside legal counsel, that failure to take such actions would be result in a violation of its fiduciary duties under applicable Law; *provided*, *further*, that, prior to providing any nonpublic information permitted to be provided pursuant to the foregoing proviso, it shall have entered into a confidentiality agreement with such third party on terms no less favorable to it than the confidentiality provisions set forth in the Confidentiality Agreement (without regard to any modification thereof pursuant hereto or lapse of time). The Company will immediately cease and cause to be terminated any activities, discussions or negotiations conducted before the date of this Agreement with any persons other than Parent with respect to any Acquisition Proposal and will use its reasonable best efforts to enforce any confidentiality or similar agreement relating to an Acquisition Proposal. The Company will promptly advise Parent following receipt of any Acquisition Proposal and the substance thereof (including the identity of the person making such Acquisition Proposal), and will keep Parent apprised of any related developments on a current basis.

6.8 *Takeover Laws and Provisions.* The Company will not take any action that would cause the transactions contemplated hereby to be subject to requirements imposed by any Takeover Law and will take or cause to be taken all commercially reasonable steps within its control to exempt (or ensure the continued exemption of) the transactions contemplated hereby from, or if necessary challenge the validity or applicability of, any applicable Takeover Law, as now or hereafter in effect.

6.9 *Access; Information*.

(a) The Company and Parent each agree that upon reasonable notice and subject to applicable Law relating to the exchange of information, each will (and will cause its Subsidiaries to) afford each other, and their respective Representatives, such reasonable access during normal business hours throughout the period before the Effective Time to the books, records (including Tax Returns and work papers of independent auditors), properties, personnel and to such other information in its possession or control as either the Company or Parent may reasonably request under the circumstances, including for purposes of facilitating the Conversion and the integration of the Company and its Subsidiaries with Parent and its Subsidiaries. In addition, the Company will furnish promptly to Parent (1) a copy of each report, schedule and other document filed by it pursuant to the requirements of federal or state banking or securities Laws, and (2) all other information in its possession or control concerning the business, properties and personnel of it and its Subsidiaries as Parent may reasonably request. In addition, the Company shall provide Parent biweekly or monthly, as applicable, general ledger reports and reports of all new Loans greater than $100,000, deposits, non-performing loans, OREO and Loans in the process of being negotiated, renegotiated, extended, renewed, modified or having a forbearance granted, in each case for each biweekly period beginning with the first full week after the date hereof until the Effective Time as promptly as they become available. The Company and Parent each agree to promptly notify the other of any action, suit, claim, hearing, dispute, subpoena, investigation or proceeding commenced, or to the Knowledge of the Company or Parent, as applicable, threatened against the Company or Parent or any of their respective Subsidiaries that are related to the transactions contemplated by this Agreement. Neither the Company nor Parent will be required to afford access or disclose information that would jeopardize attorney-client privilege or contravene any binding agreement with any third party. The parties will make appropriate substitute arrangements in circumstances where the previous sentence applies. Each of the Company and Parent shall use commercially reasonable efforts to minimize any interference with the regular business operations of the Company or Parent and their respective Subsidiaries, as applicable, during any such access.

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(b) No investigation by Parent or the Company of, or Knowledge that Parent or the Company may have with respect to, the business and affairs of the other party, pursuant to this Section 6.9 or otherwise, will affect or be deemed to modify or waive any representation, warranty, covenant or agreement in this Agreement, or the conditions to Parent's or the Company's, as applicable, obligation to consummate the transactions contemplated hereby.

(c) Each of Parent and the Company will hold any information it may obtain from the other in connection with this Agreement and the transactions contemplated hereby which is nonpublic and confidential to the extent required by, and in accordance with, the Confidentiality Agreement.

6.10 *Supplemental Indentures.* At or before the Effective Time, Parent and the Company will execute and deliver, or cause to be executed and delivered, by or on behalf of Parent and the Company, one or more supplemental indentures and other instruments, and take or cause to be taken all such other action, required for the due assumption of the Company's outstanding debt, guarantees, securities, and (to the extent Previously Disclosed by the Company) other agreements to the extent required by the terms of such debt, guarantees, securities or other agreements.

6.11 *Indemnification*.

(a) Following the Effective Time, Parent will indemnify, defend and hold harmless the present directors and officers (when acting in such capacity) of the Company (each, an "*Indemnified Party*") against all costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities as incurred, and will advance expenses, in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions or omissions occurring at or before the Effective Time (including the transactions contemplated hereby), in accordance with the Constituent Documents of Company in effect on the date hereof, to the extent permitted under applicable Law.

(b) Any Indemnified Party wishing to claim indemnification under Section 6.11(a), upon learning of any claim, action, suit, proceeding or investigation described above, will promptly notify Parent; *provided* that failure so to notify will not affect the obligations of Parent under Section 6.11(a) unless and to the extent that Parent is actually and materially prejudiced as a consequence.

(c) For a period of six (6) years following the Effective Time, Parent shall use its commercially reasonable efforts to provide that portion of directors' and officers' liability insurance that serves to reimburse the present and former officers and directors of the Company or of any of its Subsidiaries (determined as of the Effective Time) with respect to claims against such directors and officers arising from facts or events which occurred before the Effective Time, which insurance shall contain at least the same coverage and amounts, and contain terms and conditions no less advantageous, as that coverage currently provided by the Company; *provided*, *however*, that in no event shall Parent be required to expend more than two hundred fifty percent (250%) of the current annual amount expended by the Company (the "*Current Premium*") to maintain or procure such directors' and officers' insurance coverage for a comparable six (6) year period; *provided*, *further*, that if Parent is unable to maintain or obtain the insurance called for by this Section 6.11(c), Parent shall use its commercially reasonable efforts to obtain as much comparable insurance as is available for two hundred fifty percent (250%) of the Current Premium; *provided*, *further*, that officers and directors of the Company or any Subsidiary thereof may be required to make application and provide customary representations and warranties to the responsible insurance carrier for the purpose of obtaining such insurance. In lieu of this Section 6.11(c), the Company may, and at the request of Parent shall, in each case in consultation with and only with Parent's consent (which shall not be unreasonably withheld, conditioned or delayed), obtain at or prior to the Effective Time a six (6) year "tail" policy under the Company's existing directors and officers insurance policy providing equivalent coverage to that described in this Section 6.11(c) if and to the extent that the same may be obtained for an amount that does not exceed two hundred fifty percent (250%) of the Current Premium. Any amounts expended by the Company in

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accordance with this Section 6.11(c) shall not be considered Transaction Expenses for purposes of this Agreement.

(d) If Parent or any of its successors or assigns consolidates with or merges into any other entity and is not the continuing or surviving entity of such consolidation or merger or transfers all or substantially all its assets to any other entity, then and in each case, but only to the extent not effected by operation of law, Parent will cause proper provision to be made so that the successors and assigns of Parent will assume the obligations set forth in this Section 6.11.

(e) The provisions of this Section 6.11 shall survive the Effective Time and are intended to be for the benefit of, and will be enforceable by, each Indemnified Party and his or her heirs and Representatives.

6.12 *Benefits Arrangements*.

(a) *Termination of Company 401(k) Plan*.

(1) At least five (5) business days prior to the Effective Time, the Company shall have adopted resolutions of its board of directors to terminate the Company's 401(k) & Profit Sharing Plan (the "*Company 401(k) Plan*") effective immediately prior to the Effective Time and to fully vest all participants in such Company 401(k) Plan. Before adopting such resolutions, the Company shall provide a draft of such resolutions to Parent for an opportunity to comment thereon, which Parent shall not unreasonably delay.

(2) The Company or its Subsidiaries shall make contributions to the Company 401(k) Plan with respect to the plan year commencing January 1, 2016 (and if applicable any subsequent plan year commencing prior to the Effective Time) and ending on the date of the Company 401(k) Plan termination in accordance with the terms of the Company 401(k) Plan.

(3) Immediately after the Effective Time, Parent shall offer participation in Parent's tax-qualified defined contribution plan ("*Parent 401(k) Plan*") to each person who was an active participant in the Company 401(k) Plan as of the date of its termination. Parent shall permit the Parent 401(k) Plan to, following the Closing Date and pursuant to Section 401(a)(31)(D) of the Code, accept rollover contributions of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code) of eligible amounts (including outstanding loans) distributed to employees from the Company 401(k) Plan.

(b) *Termination of Non-Qualified Deferred Compensation Plan.* Within the thirty (30) days prior to the Effective Time, the Company shall have taken or caused to be taken all such actions as may be necessary to terminate the Company's Non-Qualified Deferred Compensation Plan (the "*DCP*") effective as of the Effective Time and provide for lump sum payment of the benefits thereunder within ten (10) business days after the Effective Time and to facilitate the administration of the DCP by Parent after the Effective Time.

(c) *Section 280G Shareholder Vote.* The Company shall (i) at least seven (7) business days prior to the Closing Date, use its reasonable best efforts to obtain from each "disqualified individual" (as defined under Section 280G of the Code and the regulations promulgated thereunder) an irrevocable waiver by such individual of any and all payments or other benefits contingent on the consummation of the transactions contemplated hereby to the extent necessary so that such payments and benefits would not be "excess parachute payments" under Section 280G of the Code and (ii) at least five (5) business days prior to the Closing Date, submit for approval by its shareholders, in conformance with Section 280G of the Code and the regulations thereunder (the "*280G Shareholder Vote*"), any payments that could constitute a "parachute payment" pursuant to Section 280G of the Code such that if such vote is adopted by the shareholders in a manner that satisfies the shareholder approval requires under Section 280G(b)(5)(B) of the Code

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and regulations promulgated thereunder, no payment received by such "disqualified individual" would be a "parachute payment" under Section 280G(b) of the Code (the "*280G Approval*"). In connection with the foregoing and at least five (5) business days prior to distribution to shareholders for the 280G Shareholder Vote, the Company shall deliver to Parent true and complete copies of all disclosure, waiver and other documents required to be prepared by the Company in connection with this Section 6.12(c), for review and comment by Parent thereon. The parties acknowledge that this Section 6.12(c) shall not apply to any Parent Arrangements, unless such arrangements have been disclosed to the Company at least ten (10) days prior to the Closing Date, so that, for the avoidance of doubt, compliance with this Section 6.12(c) shall be determined as if such Parent Arrangements that are not so disclosed had not been entered into. Prior to the Closing Date, if and to the extent required by Section 280G of the Code, the Company shall deliver to Parent evidence that a vote of the Company's shareholders was solicited in accordance with the foregoing provisions of this Section 6.12(c) and that either (1) 280G Approval was obtained, or (2) that 280G Approval was not obtained.

(d) *Severance Benefits.* Following the Effective Time and ending on the first anniversary thereof, Parent or its Subsidiaries shall cause the employees of the Company or the Company Bank Sub to be covered by a severance policy under which employees who incur a qualifying involuntary termination of employment will be eligible to receive severance pay and benefits that are no less favorable than the severance payments and benefits set forth in the Company's Previously Disclosed Severance Pay Benefit Policy, based on such Covered Employee's base salary or hourly wage rate with the Company immediately prior to the Effective Time. In connection with the foregoing, such terminated employees shall receive service credit for years of continuous service with the Company or its Subsidiaries and Parent and its Subsidiaries for purposes of determining the amount of any severance pay under such policy. Notwithstanding the foregoing, no Company employee or Company Bank Sub employee eligible to receive severance benefits under an employment agreement shall be entitled to participate in the severance policy described in this Section 6.12(d) or to otherwise receive severance benefits.

(e) *Participation in Parent and Parent Bank Sub Benefit Arrangements.* Following the Effective Time, Parent shall maintain or cause to be maintained employee benefit plans for the benefit of employees (as a group) who are employees of the Company or Company Bank Sub on the Closing Date ("*Covered Employees*") that provide employee benefits which are made available from time to time on a uniform and non-discriminatory basis to similarly situated employees of Parent and Parent Bank Sub, as applicable, in accordance with the terms and conditions of such plans in effect from time to time; *provided* that (i) in no event shall any Covered Employee be eligible to participate in any closed or frozen plan of Parent or Parent Bank Sub; and (ii) until such time as Parent shall cause Covered Employees to participate in the benefit plans that are made available to similarly situated employees of Parent and Parent Bank Sub, a Covered Employee's continued participation in employee benefit plans of the Company or Company Bank Sub shall be deemed to satisfy the foregoing provisions of this sentence (it being understood that participation in the Parent or Parent Bank Sub Benefit Arrangements may commence at different times with respect to each such Benefit Arrangement). To the extent that a Covered Employee becomes eligible to participate in a Parent or Parent Bank Sub Benefit Arrangement, Parent or Parent Bank Sub shall cause such Benefit Arrangement to take into account for eligibility and vesting purposes thereunder only (and not, other than in the case of vacation benefits, for benefit accrual) the service of such employees with the Company or Company Bank Sub as if such service were with Parent or Parent Bank Sub, to the same extent that such service was credited under a comparable Benefit Arrangement sponsored or maintained by the Company or Company Bank Sub, and, with respect to welfare benefit plans of Parent or Parent Bank Sub in which Covered Employees are eligible to participate, Parent agrees to cause each such welfare benefit plan to waive any preexisting conditions, waiting periods and actively at work requirements under such

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plans. In no event shall such recognition of service operate to duplicate any benefits of a Covered Employee with respect to the same period of service. For purposes of each Parent health plan, Parent shall cause any eligible expenses incurred by Covered Employees and their covered dependents during the portion of the plan year of the comparable plan of the Company or Company Bank Sub ending on the date such employee's participation in the corresponding Parent plan begins to be taken into account under such Parent plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his covered dependents for the applicable plan year of the Parent plan.

(f) *Amendments; No Third Party Rights.* This Section 6.12 shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Section 6.12. In no event shall the terms of this Agreement be deemed to (1) establish, amend, modify, change or terminate any Benefit Arrangement of the Company or its Subsidiaries or Parent or its Subsidiaries, (2) alter or limit the ability of Parent or its Subsidiaries to amend, modify, change or terminate any Benefit Arrangement or any other benefit or employment plan, program, agreement or arrangement after the Closing Date, (3) confer upon any current or former employee or other service provider of the Company or its Subsidiaries, any right to employment or continued employment or continued service with Parent or of its Subsidiaries, or constitute or create an employment or agreement with, or modify the at-will status of any, employee or other service provider, (4) permit any payment to be made to an employee or service provider of the Company or its Subsidiaries that requires prior approval or non-objection from a Governmental Authority without obtaining such prior approval or non-objection or (5) alter or limit the ability of Parent or its Subsidiaries to exercise discretion with respect to eligibility, participation, amounts awarded or payable, or benefits provided, under the terms or provisions of any Benefit Arrangement of Parent or its Subsidiaries.

6.13 *Conversion, Data Processing and Related Matters.* Prior to the Effective Time, the parties agree to cooperate and to employ their commercially reasonable efforts to plan, execute and complete the Conversion in an orderly and efficient manner as of the Effective Time, or at such later time as Parent may determine; *provided*, that in no event shall the Conversion become effective prior to the Effective Time. Commencing as of the date of this Agreement, the Company and Parent shall each appoint qualified staff members to act as project managers for the Conversion (each, a "*Conversion Project Manager*"). Such Conversion Project Managers shall act as the principal contacts between the parties on matters relating to the Conversion, and shall coordinate the assignment of personnel as required and generally facilitate the planning, execution and completion of the Conversion. In addition to any conversion of the data and systems files as part of the Conversion, the parties shall reasonably cooperate in exchanging and providing the information requested and performing such tasks as may be necessary to complete the Conversion, including the collection and input of relevant data, development of new operating procedures and design of forms, in each case, as mutually agreed by the parties. The Company shall, commencing as of the date of this Agreement, provide Parent and Parent Bank Sub with reasonable access to the Company Bank Sub's offices, systems and facilities and all relevant information and personnel at such times and places as Parent Bank Sub shall reasonably request (in connection therewith, the parties shall cooperate towards causing the least possible disruption to the Company's and Company Bank Sub's employees, customers and operations), allow Parent Bank Sub to implement such changes as shall be reasonably necessary to effect the Conversion at the Effective Time, or at such other time following the Effective Time as Company and Parent may mutually determine. Nothing contained in this Agreement shall give Parent, directly or indirectly, the right to control or direct the operations of Company or its Subsidiaries prior to the Effective Time, and nothing contained in this Agreement shall give Company, directly or indirectly, the right to control or direct the operations of Parent or its Subsidiaries prior to the Effective Time. Prior to the Effective Time, each of

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Parent and Company shall exercise, consistent with, and subject to, the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

6.14 *Title Surveys.*

(a) The Company shall order, at the Company's sole cost and expense (which cost and expense shall be considered Transaction Expenses for purposes of this Agreement), within ten (10) business days after the date of this Agreement, with respect to all Owned Real Property (including real property designated as "other real estate owned" by the Company Bank Sub ("*OREO*")), (1) an ALTA survey made in accordance with the 2016 minimum standard detail requirements for ALTA/NSPS surveys (each a "*Survey*"), certified to Parent, Parent Bank Sub and Chicago Title Insurance Company (the "*Title Company*"), (2) a commitment for issuance of an ALTA 2006 Owner's Policy of Title Insurance (each a "*Title Commitment*") dated subsequent to the date of this Agreement but prior to the Closing Date issued by the Title Company in an amount equal to the greater of the value of such real property as shown on the Company's or its Subsidiaries' books and records or the fair market value of such real property and (3) copies of all documents referenced in the Title Commitment exceptions. The Company shall use commercially reasonable efforts to cause (x) the delivery to Parent of a Survey and (y) the Title Company to deliver to Parent a Title Commitment and copies of all documents referenced in the Title Commitment exceptions for each real property owned by the Company or any of its Subsidiaries (other than OREO) as soon as reasonably practicable following the date of this Agreement.

(b) For each real property owned by the Company or any of its Subsidiaries, Parent will have a period of ten (10) business days from Parent's receipt of the last of the Survey, the Title Commitment and all documents referenced in the Title Commitment exceptions with respect to such real property ("*Title Review Period*") in which to review such documents and provide the Company with written notice ("*Title Notice*") of any condition disclosed in such Survey or Title Commitment that is not reasonably approved by Parent; *provided*, *however*, Parent shall be deemed to approve any condition that is a Permitted Lien.

(c) If a Title Notice is timely given by Parent, the Company shall use its commercially reasonable efforts to promptly (but in any event within twenty-five (25) days of the date of the Title Notice) cure or remove, to Parent's reasonable satisfaction, each condition set forth on the Title Notice without the payment of any funds. In the event the Company is unable to cure or remove, to Parent's reasonable satisfaction, all conditions listed on all Title Notices without the payment of any funds ("*Title Defect Conditions*"), Parent and the Company shall reasonably agree prior to the Closing upon the amount (i) necessary to cure or remove, to Parent's reasonable satisfaction, all Title Defect Conditions that are capable of cure or removal and (ii) of the diminution of fair market value resulting from Title Defect Conditions that are not capable of cure or removal (collectively, the "*Title Defect Amount*").

(d) The Company shall cause the Title Company to update each Title Commitment as of the business day immediately prior to the Closing Date. In the event that the updated Title Commitment discloses any defect not included in the original Title Commitment, the procedure set forth in clauses (b) and (c) above shall apply and a new Title Review Period shall begin.

(e) The Company shall cause the Title Company to deliver title insurance policies to match the Title Commitments on or prior to the Closing Date as requested by Parent.

(f) Notwithstanding anything in this Section 6.14 to the contrary, the Company shall keep Parent apprised of all activities and actions contemplated by this Section 6.14, and the Company and Parent shall cooperate fully with one another with respect to the matters required by this Section 6.14.

(g) Notwithstanding anything to the contrary in this Agreement, all matters that have been Previously Disclosed to Parent shall be disregarded for purposes of, and shall not constitute any type of

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exception to, this Section 6.14 and shall have no effect on the determination of any Title Defect Condition, Title Defect Amount or the Real Property Adjustment Amount.

6.15 *Environmental Assessments.*

(a) The Company hereby agrees to obtain within fifty (50) business days after the date of this Agreement, a Phase I Environmental Site Assessment ("*Phase I*") of any Owned Real Property, including any OREO property, at the Company's cost and expense (which cost and expense shall be considered Transaction Expenses for purposes of this Agreement), conducted by a Previously Disclosed environmental consultant ("*Environmental Consultant*"). The Company and Parent shall reasonably agree on the terms of engagement of the Environmental Consultant. The Company shall provide Parent, within five (5) business days after receipt of same by the Company, copies of final drafts of any such Phase I.

(b) In the event any Phase I (including a Previously Disclosed Phase I that the Company or one of its Subsidiaries caused to be performed within three (3) years prior to the date hereof) discloses any Recognized Environmental Condition (as defined by ASTM E1527-13) that in the reasonable belief of Parent would result in material liability to the Company, Parent or any of their Subsidiaries and warrants further review or investigation, Parent shall reasonably promptly give notice of the same to the Company no later than five (5) business days following Parent's receipt of the relevant Phase I. The Company may then, in its reasonable discretion, within an additional twenty (20) day period retain the Environmental Consultant to conduct a Phase II Environmental Site Assessment ("*Phase II*") of the relevant property or facility; *provided*, *however*, that such Phase II shall be completed no later than forty-five (45) days following Parent's receipt of the relevant Phase I; and *provided further*, that with respect to any Leased Real Property, Company will use commercially reasonable efforts to obtain the relevant property owner's consent for such Phase II but Parent acknowledges and understands that such consent may not be able to be obtained. The scope of the Phase II shall be mutually determined by Parent and the Company in their reasonable discretion after consultation with the other party and all reasonable costs and expenses associated with such Phase II testing and report shall be borne by the Company and shall be considered Transaction Expenses for purposes of this Agreement. The Company shall provide copies of the draft and final Phase I reports and Phase II reports, if any, to Parent promptly following the receipt of any such report by the Company.

(c) In the event any Phase II assessment confirms the presence of any environmental contamination, including, without limitation, a release from an abandoned underground storage tank or the presence of other Hazardous Materials, in each case in concentrations above applicable standards under applicable Environmental Laws, or if the Company chooses to forego any Phase II as reasonably requested by Parent pursuant to Section 6.15(b), Parent may elect to require the Company to obtain within thirty (30) days after Parent's receipt of the relevant Phase I or Phase II assessment and prior to the Closing Date at the Company's sole cost and expense (which cost and expense shall be considered Transaction Expenses for purposes of this Agreement), from the Environmental Consultant or another nationally-recognized contractor (mutually acceptable to the parties), as appropriate, a good faith estimate of the minimum cost and expense necessary to further investigate, remediate, cleanup, abate, restore and otherwise address such Recognized Environmental Condition or environmental contamination to the extent required by and in accordance with Environmental Laws and, to the extent required, to the satisfaction of any relevant Governmental Authority, assuming the continued commercial or industrial use of the relevant property and employing risk-based remedial standards and institutional controls where applicable (a "*Remediation Estimate*"). The Company shall, at Parent's request, cause all Remediation Estimates to be updated, as needed, through the Closing Date.

(d) In the event that the sum of the Title Defect Amount and all Remediation Estimates (to the extent such Title Defect Amounts or Remediation Estimates will or are reasonably expected to be incurred by the Company, Parent or any of their Subsidiaries and taking into account any Tax credits,

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deductions or benefits or insurance coverage, in each case, that the parties agree is reasonably likely to be available to Company, Parent or any of their Subsidiaries in connection with the incurrence of such costs) in the aggregate exceeds $2,000,000 (such excess being the "*Real Property Adjustment Amount*"), the Per Common Share Consideration shall be reduced prior to the Closing by an amount equal to the result of: (1) the lesser of (x) the amount of the Real Property Adjustment Amount and (y) $8,000,000, *divided by* (2) the Fully Diluted Number, *divided by* (3) the per share volume weighted average price of the Parent Common Stock on NASDAQ from 9:30 a.m. to 4:00 p.m., Eastern Time, on the fifteen (15) trading days immediately preceding the Closing Date as found on Bloomberg page FMBIVWAP (or its equivalent successor page if such page is not available). If the Real Property Adjustment Amount is greater than $8,000,000, Parent may, in its sole discretion, terminate the Agreement pursuant to Section 8.1(h) of this Agreement.

(e) The Company (i) hereby grants, and agrees to cause the Company Bank Sub to grant, to both Parent and the Environmental Consultant a non-exclusive license to access the Real Property during regular business hours for the purpose of conducting the Phase I and any Phase II assessments as set forth above and upon advance notice from Parent; and (ii) shall reasonably cooperate in connection with the performance of any such assessments.

(f) Notwithstanding anything in this Section 6.15 to the contrary, the Company shall keep Parent reasonably apprised of all activities and actions contemplated by this Section 6.15, and the Company and Parent shall cooperate fully with one another with respect to the matters required by this Section 6.15.

(g) Notwithstanding anything to the contrary in this Agreement, all matters that have been Previously Disclosed to Parent shall be disregarded for purposes of, and shall not constitute any type of exception to, this Section 6.15 and shall have no effect on the determination of any Remediation Estimate or the Real Property Adjustment Amount.

6.16 *Stockholder Litigation.* Each of Parent and the Company shall promptly notify each other in writing of any action, claim, proceeding, arbitration, audit, hearing, investigation, litigation, suit, subpoena or summons issued, commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator pending or, to the knowledge of Parent or the Company, as applicable, threatened against Parent, the Company or any of their respective Subsidiaries that (a) questions or would reasonably be expected to question the validity of this Agreement or the other agreements contemplated hereby or thereby or any actions taken or to be taken by Parent, the Company or their respective Subsidiaries with respect hereto or thereto, or (b) seeks to enjoin, materially delay or otherwise restrain the transactions contemplated hereby or thereby. The Company shall give Parent the opportunity to participate at its own expense in the defense or settlement of any litigation against the Company and or its directors or Affiliates relating to the transactions contemplated by this Agreement, and the Company shall not agree to any such settlement without Parent's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

6.17 *Investment Agreements.* Conditioned upon the Closing of the Merger and the occurrence of the Effective Time, and effective as of the Effective Time, to the extent not waived, Parent hereby assumes the due and punctual performance and observance of each and every covenant and condition of each of the Investment Agreements to be performed by the Company following the Effective Time.

6.18 *Additional Agreements.* In case at any time after the Effective Time any further action that is reasonably necessary or desirable to carry out the purposes of this Agreement or to vest Parent or the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Merger or the Parent Merger, the then current officers and directors of each party to this Agreement and their respective Subsidiaries shall take, or cause to be taken, all such reasonably necessary action as may be reasonably requested by the other party, at the expense of the party who makes any such request.

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6.19 *Restructuring Efforts.* If either the Company or Parent shall have failed to obtain the requisite vote of its shareholders to approve the Company Shareholder Matters or the Parent Common Stock Issuance, respectively, at a duly convened Company Meeting or Parent Meeting, as applicable, or any adjournment or postponement thereof, each of the parties shall in good faith use its reasonable best efforts to negotiate a restructuring of the transactions contemplated by this Agreement (*provided*, *however*, that no party shall have any obligation to agree to (1) alter or change any material term of this Agreement, including the amount or kind of the Per Common Share Consideration, in a manner adverse to such party or its shareholders, (2) adversely affect the Tax treatment, including the Intended Tax Treatment, of the Merger and the Parent Merger to the Company's shareholders or (3) forego any of its other rights under this Agreement) and/or resubmit this Agreement or the transactions contemplated hereby (or as restructured pursuant to this Section 6.19) to its shareholders for approval or adoption.

ARTICLE 7

Conditions to the Merger

7.1 *Conditions to Each Party's Obligation to Effect the Merger.* The respective obligation of each party to consummate the Merger is subject to the fulfillment or written waiver by each party before the Effective Time of each of the following conditions:

(a) *Stockholder Approvals.* (1) The Company Shareholder Matters shall have been duly approved by the requisite votes of the holders of the Company Common Stock, and (2) the Parent Common Stock Issuance shall have been duly approved by the requisite vote of the holders of the Parent Common Stock.

(b) *Regulatory Approvals.* All Requisite Regulatory Approvals (1) shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired and (2) shall not have imposed a Burdensome Condition on Parent.

(c) *Exchange Listing.* The shares of Parent Common Stock to be issued in the Merger shall have been approved for listing on NASDAQ, subject to official notice of issuance.

(d) *Registration Statement.* The Registration Statement shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued and be in effect and no proceedings for that purpose shall have been initiated by the SEC and not withdrawn.

(e) *No Injunction.* No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and prohibits consummation of the Merger, the Bank Merger or any other transaction contemplated hereby. No statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Authority which prohibits or makes illegal the consummation of the Merger, the Bank Merger or any other transaction contemplated hereby.

7.2 *Conditions to the Obligation of the Company.* The Company's obligation to consummate the Merger is also subject to the fulfillment or written waiver by the Company before the Effective Time of each of the following conditions:

(a) *Representations and Warranties of Parent.* The representations and warranties of the Parent set forth in Sections 5.3(a), 5.3(b), 5.3(e) and the first sentence of 5.3(j) shall be true and correct (in each case after giving effect to the lead in to Section 5.3) in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date (other than

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such failures to be true and correct as are de minimis). All other representations and warranties of Parent set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, but, in each case after giving effect to the lead in to Section 5.3) shall be true and correct in all respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, *provided* that for purposes of this sentence, no such representations or warranties (other than such failures to be true and correct as are de minimis), shall be deemed untrue, inaccurate or incorrect for purposes hereunder as a consequence of the existence of any fact, event or circumstance inconsistent with such representation or warranty, unless such fact, event or circumstance, individually or taken together with all other facts, events or circumstances inconsistent with any such representations or warranty of Company, has had or would result in a Material Adverse Effect on Parent. The Company shall have received a certificate, dated the Closing Date, signed on behalf of Parent by the Chief Executive Officer and Chief Financial Officer of Parent affirming the accuracy of the foregoing.

(b) *Performance of Obligations of Parent.* Parent shall have performed in all material respects all obligations and shall have complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or before the Effective Time, and the Company shall have received a certificate, dated the Closing Date and signed on behalf of Parent by the Chief Executive Officer and Chief Financial Officer of Parent to that effect.

(c) *Tax Opinion of the Company's Counsel.* The Company shall have received an opinion of Kirkland & Ellis LLP, dated the Closing Date, reasonably acceptable to Parent and its counsel and based on facts, representations and assumptions described in such opinion, to the effect that the Merger and the Parent Merger will qualify for the Intended Tax Treatment. In rendering such opinion, Kirkland & Ellis LLP will be entitled to receive and rely upon certificates and representations of officers of Parent and the Company, reasonably satisfactory in form and substance to Kirkland & Ellis LLP.

7.3 *Conditions to the Obligation of Parent and Merger Sub.* The obligation of Parent and Merger Sub to consummate the Merger is also subject to the fulfillment, or written waiver by Parent before the Effective Time of each of the following conditions:

(a) *Representations and Warranties of the Company.* The representations and warranties of the Company set forth in Sections 5.2(a), 5.2(b)(1) and (4), 5.2(c)(1) shall be true and correct (in each case after giving effect to the lead in to Section 5.2) in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date (other than such failures to be true and correct as are de minimis). The representations and warranties of the Company set forth in Sections 5.2(b)(3), 5.2(e), 5.2(f), 5.2(g)(1) and (2), 5.2(i), 5.2(t)(1) and (9) and the last sentence of 5.2(z)(1) (in each case, after giving effect to the lead in to Article IV) shall be true and correct in all material respects (in each case after giving effect to the lead in to Section 5.2) in each case as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date. All other representations and warranties of Company set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, but, in each case after giving effect to the lead in to Section 5.2) shall be true and correct in all respects as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, provided that for purposes of this sentence, no such representations or warranties (other than such failures to be true and correct as are de minimis), shall be deemed untrue, inaccurate or incorrect for purposes

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hereunder as a consequence of the existence of any fact, event or circumstance inconsistent with such representation or warranty, unless such fact, event or circumstance, individually or taken together with all other facts, events or circumstances inconsistent with any such representations or warranty of Company, has had or would result in a Material Adverse Effect on Company and its Subsidiaries, taken as a whole. Parent shall have received a certificate, dated the Closing Date, signed on behalf of the Company by the Chief Executive Officer and Chief Financial Officer of the Company affirming the accuracy of the foregoing.

(b) *Performance of Obligations of the Company.* The Company shall have performed in all material respects all obligations and shall have complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or before the Effective Time, and Parent shall have received a certificate, dated the Closing Date and signed on behalf of the Company by the Chief Executive Officer and Chief Financial Officer of the Company to that effect.

(c) *Tax Opinion of Parent's Counsel.* Parent shall have received an opinion of Sullivan & Cromwell LLP, dated the Closing Date, reasonably acceptable to the Company and its counsel, and based on facts, representations and assumptions described in such opinion, to the effect that the Merger and the Parent Merger will qualify for the Intended Tax Treatment. In rendering such opinion, Sullivan & Cromwell LLP will be entitled to receive and rely upon certificates and representations of officers of Parent and the Company, reasonably satisfactory in form and substance to Sullivan & Cromwell LLP.

(d) *Dissenting Common Shares.* The number of Dissenting Common Shares shall not exceed ten percent (10%) of the outstanding shares of Company Common Stock, and Parent shall have received a certificate, dated the Closing Date and signed on behalf of the Company by the Chief Executive Officer and Chief Financial Officer of the Company to that effect.

(e) *Third-Party Consents.* The Company shall have obtained all the Required Third-Party Consents set forth on Schedule 7.3(e), and such consents and approvals shall be in full force and effect, and Parent shall have received a certificate, dated the Closing Date and signed on behalf of the Company by the Chief Executive Officer and Chief Financial Officer of the Company to that effect.

(f) *Minimum Tangible Common Equity.* The Closing Tangible Common Equity of the Company shall be greater than or equal to the Minimum Tangible Common Equity.

(g) *Minimum Loans.* The Company's consolidated total loans excluding loans for sale of the Company and its Subsidiaries as of the end of the month immediately preceding the Closing Date shall be no less than $1,600,000,000.

(h) *FIRPTA Certificate.* Parent shall have received from the Company a certificate stating that the Company and each of its Subsidiaries are not and have not been a United States real property holding corporation, dated as of the Closing Date and in form and substance required under Treasury Regulation Section 1.897-2(h); *provided* that Parent's only remedy for the failure to provide any such certificate will be to withhold from the payments to be made to the Exchange Agent pursuant to this Agreement any required withholding tax under Section 1445 of the Code, and the failure to provide such certificate will not be deemed to be a failure of the condition set forth in this Section 7.3(h) to have been met.

(i) *Company Bank Sub Stock Certificate.* The Company shall have delivered to Parent the certificate or certificates representing the shares of common stock of Company Bank Sub held by the Company.

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ARTICLE 8

Termination

8.1 *Termination.* This Agreement may be terminated, and the Merger and the transactions contemplated hereby may be abandoned, at any time before the Effective Time, by the Company or Parent, whether prior to or after approval of the Company Shareholder Matters by the requisite votes of the holders of the Company Common Stock and/or the approval of the Parent Common Stock Issuance by the requisite vote of the holders of Parent Common Stock, as follows:

(a) *Mutual Agreement.* With the mutual written agreement of the other party.

(b) *Breach.* If there has occurred and is continuing: (1) a breach by the other party of any representation or warranty contained herein or (2) a breach by the other party of any covenant or agreement contained herein; *provided* that such breach has not been cured within the earlier of the Outside Date and fifteen (15) days following written notice thereof and that such breach (under either clause (1) or (2)) would entitle the non-breaching party not to consummate the Merger under Article 7.

(c) *Denial of Stockholder Approval.* (1) If the Company Shareholder Matters are not approved by the requisite votes of the holders of the Company Common Stock at the Company Meeting and (2) in the case of the Company only, it will have the right to terminate this Agreement if the Parent Common Stock Issuance is not approved by the requisite votes of the holders of Parent Common Stock at the Parent Meeting.

(d) *Denial or Withdrawal of Application for Regulatory Approval.* (1) If the approval of any Governmental Authority required for consummation of the Merger, the Bank Merger or the other transactions contemplated hereby is denied by final, non-appealable action of such Governmental Authority or (2) any application, filing or notice necessary in connection with a Requisite Regulatory Approval has been withdrawn at the request or recommendation of the applicable Governmental Authority and such Governmental Authority would not accept the re-filing of such application; *provided* that the right to terminate this Agreement under this Section 8.1(d) shall not be available to any party whose failure to comply with any provision of this Agreement has been the cause of, or materially contributed to, the foregoing.

(e) *Outside Date.* If the Effective Time has not occurred by the close of business on the twelve (12) month anniversary of the date hereof (the "*Outside Date*"); *provided* that the right to terminate this Agreement under this Section 8.1(e) shall not be available to any party whose failure to comply with any provision of this Agreement has been the cause of, or materially contributed to, the failure of the Effective Time to occur on or before such date.

(f) *Adverse Action.* In the case of Parent only, it will have the right to terminate this Agreement if (1) the Company Board (A) submits this Agreement, the Merger and the other transactions contemplated hereby (including the other Company Shareholder Matters) to its shareholders without a recommendation for approval or with material and adverse conditions on such approval (or fails to reconfirm its recommendation after request to do so by Parent), or otherwise withdraws or materially and adversely modifies (or publicly discloses its intention to withdraw or materially and adversely modify) its recommendation referred to in Section 5.2(e), (B) recommends to its shareholders an Acquisition Proposal other than the Merger or (C) negotiates or authorizes the conduct of negotiations with a third party regarding an Acquisition Proposal other than the Merger and ten (10) business days elapse without such negotiations being discontinued (it being understood and agreed that "negotiate" will not be deemed to include requesting and receiving information from, or discussing such information with, a person that submits an Acquisition Proposal for the sole purpose of ascertaining the terms of

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such Acquisition Proposal and determining whether the Company Board will in fact engage in or authorize negotiations) or (2) there is a material breach of Section 6.7.

(g) *Dissenting Common Shares.* In the case of Parent only, it will have the right to terminate this Agreement if the number of Dissenting Common Shares exceeds ten percent (10%) of the outstanding shares of Company Common Stock.

(h) *Real Property Adjustment Amount.* In the case of Parent only, it will have the right to terminate this Agreement at any time after the Real Property Adjustment Amount exceeds $8,000,000.

(i) *Tangible Common Equity.* In the case of Parent only, it will have the right to terminate this Agreement in the event that at such time as all conditions set forth in Article 7, other than the condition set forth in Section 7.3(f), are satisfied or waived or, with respect to conditions that by their nature are to be satisfied at Closing, capable of being satisfied or waived, Parent reasonably believes that the condition set forth in Section 7.3(f) would not be capable of being satisfied prior to the Outside Date; *provided* that Parent shall provide the Company with fifteen (15) days' written notice of its intention to termination this Agreement pursuant to this Section 8.1(i).

8.2 *Effect of Termination and Abandonment*.

(a) Except as otherwise provided herein, a termination of this Agreement pursuant to the terms hereof shall be effective immediately upon delivery of written notice by the terminating party to the other parties hereto. If this Agreement is terminated and the Merger and the transactions contemplated hereby are abandoned, no party will have any liability or further obligation under this Agreement, except that the first sentence of Section 5.2(i), Section 5.3(h), Section 6.9(b), this Section 8.2, Section 8.3 and Article 9, as well as any relevant definitions, will survive termination of this Agreement and remain in full force and effect and except that termination will not relieve a party from liability for any willful breach by it of this Agreement.

8.3 *Fee*.

(a) In the event that, after the date hereof and on or before a Fee Termination Date (as defined below), both (1) any of (A) the Company Board submits this Agreement, the Merger and the other transactions contemplated hereby to its shareholders without a recommendation for approval or with material and adverse conditions on such approval, or otherwise withdraws or materially and adversely modifies (or discloses its intention to withdraw or materially and adversely modify) its recommendation referred to in Section 5.2(e), (B) the Company, without having received Parent's prior written consent, enters into an agreement to engage in an Acquisition Transaction with any person (the term "*person*" for purposes of this definition having the meaning assigned in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) other than Parent or any of its Subsidiaries, (C) the Company authorizes, recommends or proposes (or publicly announces its intention to authorize, recommend or propose) an agreement to engage in an Acquisition Transaction with any person other than Parent or any of its Subsidiaries, (D) the Company Board recommends to its shareholders an Acquisition Transaction other than the Merger, (E) the Company fails to convene a shareholder meeting to approve this Agreement, the Merger and the other transactions contemplated hereby in accordance with Section 6.2, (F) the Company breaches Section 6.7 of this Agreement, (G) any Principal Shareholder has breached, and remains in breach, of its obligations under Section 2 or Section 3(a) of the Common Voting Agreement entered into by such Principal Shareholder, after being provided with notice of such breach and a thirty (30) day period in which to cure such breach or (H) the Company terminates this Agreement pursuant to Section 8.1(c)(1) and (2) this Agreement is terminated (the occurrence of any of clauses (1)(A) through (H) and such termination shall be a "*Fee Triggering Event*"), then the Company will pay to Parent a cash termination fee (the "*Fee*") of $15,000,000 plus all reasonable and

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documented out-of-pocket expenses incurred by Parent in connection with the transactions contemplated hereby and in connection with enforcing the payment of the Fee; provided that for purposes of this Section 8.3(a), all references to "more than twenty-five percent (25%)" in the definition of Acquisition Transaction shall be deemed to be references to "fifty percent (50%) or more". The Fee will be payable, without setoff, by wire transfer in immediately available funds not later than three (3) business days following the first occurrence of a Fee Triggering Event to an account specified by Parent for such purpose.

(b) For purposes of this Section 8.3, "*Fee Termination Date*" means one (1) day after the day on which the termination of this Agreement is effective; *provided*, *however*, if this Agreement is terminated by Parent pursuant to Section 8.1(b), 8.1(c) or Section 8.1(f), then, solely with respect to Section 8.3(a)(1)(B), (C) and (D), the Fee Termination Date means the twelve (12) month anniversary of the termination of this Agreement.

(c) If the Fee has not been received by Parent within three (3) business days following the first occurrence of a Fee Triggering Event interest shall accrue on the Fee commencing on the forty-fifth (45th) day following the first occurrence of a Fee Triggering Event, at an annual rate equal to the prime rate, as published in the *Wall Street Journal* on the date that the Fee was first required to be paid to Parent. The Parties acknowledge that the agreements contained in this Section 8.3 are an integral part of the transactions contemplated hereby, and that, without these agreements, the Parties would not enter into this Agreement.

(d) Notwithstanding anything to the contrary herein, but without limiting the right of any party to recover liabilities or damages, the maximum aggregate amount of fees payable by the Company under Section 8.3(a) shall be equal to the Fee.

(e) Notwithstanding the foregoing, Parent may, at its written election within forty-five (45) days following the first occurrence of a Fee Triggering Event, forego the Fee and pursue any and all rights it may have with respect to this Agreement, *provided* that if Parent does not so elect, the payment of the Fee by the Company shall constitute liquidated damages and not a penalty, and shall be the sole remedy of Parent in the event of a termination of this Agreement.

ARTICLE 9

Miscellaneous

9.1 *Survival.* The representations, warranties, agreements and covenants contained in this Agreement will not survive the Effective Time (other than Article 2, Article 3, Section 6.9(c), Section 6.11 and this Article 9).

9.2 *Expenses.* Except as otherwise provided herein, each party will bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, except that Parent and Company will each bear and pay one-half of the following expenses: (a) the costs (excluding the fees and disbursements of counsel, financial advisors and accountants) incurred in connection with the copying, printing and distributing the Registration Statement and the Joint Proxy Statement for the approval of the Company Shareholder Matters and the Parent Common Stock Issuance and (b) all listing, filing or registration fees, including fees paid for filing the Registration Statement with the SEC and any other fees paid for filings with Governmental Authorities.

9.3 *Notices.* All notices, requests and other communications given or made under this Agreement must be in writing (which shall include facsimile communication and electronic mail) and will be deemed given when personally delivered, facsimile transmitted (with confirmation), sent by electronic mail, mailed by registered or certified mail (return receipt requested) or sent by overnight courier to the persons and addresses set forth below or such other place as such party may specify by written notice to the other parties hereto.

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If to the Company, to:

Standard Bancshares, Inc.
7800 West 95th Street
Hickory Hills, Illinois 60457
Attention: Lawrence P. Kelley, President and Chief Executive Officer
Facsimile: (708) 598-1796
E-mail: lawrence.kelley@standardbanks.com

with a copy to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
Attention: Edwin del Hierro, Esq.
Facsimile: (312) 862-2200
E-mail: ed.delhierro@kirkland.com

If to Parent or Merger Sub, to:

First Midwest Bancorp, Inc.
One Pierce Place, Suite 1500
Itasca, Illinois 60143
Attention: Nicholas J. Chulos, Executive Vice President
Facsimile: (630) 647-7038
E-mail: nick.chulos@firstmidwest.com

with a copy to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attention: Mark J. Menting, Esq.
Facsimile: (212) 291-9099
E-mail: mentingm@sullcrom.com

9.4 *Waiver; Amendment*.

(a) Any term, provision or condition of this Agreement may be waived in writing at any time by the party which is entitled to the benefits hereof; *provided*, *however*, after the approval of the Company Shareholder Matters by the requisite votes of the holders the Company Common Stock or after the approval of the Parent Common Stock Issuance by the requisite vote of the holders of Parent Common Stock, no waiver of any term, provision or condition hereof shall be made which by law requires further approval of the shareholders of the Company unless such further approval is obtained. Each and every right granted to any party hereunder, or under any other document delivered in connection herewith or therewith, and each and every right allowed it by law or equity, shall be cumulative and may be exercised from time to time. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect such party's right at a later time to enforce the same. No waiver by any party of a condition or of the breach of any term, agreement, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term, agreement, covenant, representation or warranty of this Agreement.

(b) This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. Subject to the foregoing, this Agreement may be amended by the parties

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hereto by action taken by the board of directors of Parent and the board of directors of the Company at any time before or after the approval of the Company Shareholder Matters by the requisite votes of the holders of the Company Common Stock or the approval of the Parent Common Stock Issuance by the requisite vote of the holders of Parent Common Stock; *provided*, *however*, no amendment shall be made after the receipt of such approval which by law requires further approval of the shareholders of the Company unless such further approval is obtained; *provided*, *further*, Parent and the Company may without approval of their respective boards of directors, make such technical changes to this Agreement, not inconsistent with the purposes hereof, as may be required to effect or facilitate any Requisite Regulatory Approvals or acceptance of the Merger or of this Agreement or to effect or facilitate any filing or recording required for the consummation of any of the transactions contemplated hereby.

9.5 *Alternative Structure.* Notwithstanding anything to the contrary in this Agreement, before the Effective Time, Parent, subject to the approval of the Board of Directors of the Company, may revise the structure of the Merger or otherwise revise the method of effecting the Merger and the transactions contemplated hereby, *provided* that (a) such revision does not alter or change the kind, amount or economic value of consideration to be delivered to shareholders of the Company, (b) such revision does not adversely affect the tax consequences to the shareholders of the Company, (c) such revised structure or method is reasonably capable of consummation without significant delay in relation to the structure contemplated herein and (d) such revision does not otherwise cause, and could not reasonably be expected to cause, any of the conditions set forth in Article 7 not to be capable of being fulfilled (unless duly waived by the party entitled to the benefits thereof). This Agreement and any related documents will be appropriately amended in accordance with the terms hereof or thereof in order to reflect any such revised structure or method.

9.6 *Governing Law.* This Agreement shall be governed and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within that State.

9.7 *Waiver of Jury Trial.* EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (d) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.7.

9.8 *Entire Understanding; No Third Party Beneficiaries.* This Agreement, the other agreements and documents contemplated hereby and the Confidentiality Agreement represent the entire understanding of the parties hereto regarding the transactions contemplated hereby and supersede any and all other oral or written agreements previously made or purported to be made. Except for Section 6.11, which is intended to benefit the Indemnified Parties to the extent stated, nothing expressed or implied in this Agreement is intended to confer any rights, remedies, obligations or liabilities upon any person other than the Company and Parent. For the avoidance of doubt, notwithstanding anything in the Confidentiality Agreement to the contrary, the parties hereto hereby

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agree that the execution and delivery of this Agreement does not result in the termination of the Confidentiality Agreement, which remains in full force and effect in accordance with the terms thereof.

9.9 *Counterparts.* This Agreement may be executed in multiple counterparts, and may be delivered by means of facsimile or email (or any other electronic means such as ".pdf" or ".tiff" files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

9.10 *Severability.* Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, (a) all other provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transaction contemplated hereby is not affected in a manner materially adverse to any party and (b) the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby can be consummated as originally contemplated to the greatest extent possible.

9.11 *Subsidiary and Affiliate Action.* Wherever a party has an obligation under this Agreement to "cause" a Subsidiary or Affiliate of such party or any such Subsidiary's or Affiliate's officers, directors, management or employees to take, or refrain from taking, any action, or such action that may be necessary to accomplish the purposes of this Agreement, such obligation of such party shall be deemed to include an undertaking on the part of such party to cause such Subsidiary or Affiliate to take such necessary action. Wherever this Agreement provides that a Subsidiary or Affiliate of a party has an obligation to act or refrain from taking any action, such party shall be deemed to have an obligation under this Agreement to cause such Subsidiary or Affiliate, or any such Subsidiary's or Affiliate's officers, directors, management or employees, to take, or refrain from taking, any action, or such action as may be necessary to accomplish the purposes of this Agreement. To the extent necessary or appropriate to give meaning or effect to the provisions of this Agreement or to accomplish the purposes of this Agreement, Parent and the Company, as the case may be, shall be deemed to have an obligation under this Agreement to cause any Subsidiary thereof to take, or refrain from taking, any action, and to cause such Subsidiary's officers, directors, management or employees, to take, or refrain from taking, any action otherwise contemplated herein. Any failure by an Affiliate of Parent or the Company to act or refrain from taking any action contemplated by this Agreement shall be deemed to be a breach of this Agreement by Parent or the Company, respectively.

9.12 *Other Remedies; Specific Performance.* Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

9.13 *Assignment.* No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other parties hereto and any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

* * *

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

STANDARD BANCSHARES, INC.

By: /s/ LAWRENCE P. KELLEY

Name: Lawrence P. Kelley
Title: *President and Chief Executive Officer*

FIRST MIDWEST BANCORP, INC.

By: /s/ MICHAEL L. SCUDDER

Name: Michael L. Scudder
Title: *President and Chief Executive Officer*

BENJAMIN ACQUISITION CORPORATION

By: /s/ MICHAEL L. SCUDDER

Name: Michael L. Scudder
Title: *President*

[SIGNATURE PAGE TO MERGER AGREEMENT]

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Annex 1

FORM OF PARENT MERGER AGREEMENT

AGREEMENT AND PLAN OF MERGER OF
STANDARD BANCSHARES, INC.
WITH AND INTO
FIRST MIDWEST BANCORP, INC.

This Agreement and Plan of Merger (this "*Agreement*") dated as of June 28, 2016, adopted and made by and between First Midwest Bancorp, Inc. ("*Parent*"), a Delaware corporation, and Standard Bancshares, Inc. ("*Company*"), an Illinois corporation.

WITNESSETH:

WHEREAS, Benjamin Acquisition Corporation is an Illinois corporation ("*Merger Sub*"), all of the issued and outstanding shares of which are owned as of the date hereof directly by Parent;

WHEREAS, Parent, the Company and Merger Sub have entered into an Agreement and Plan of Merger, dated as of June 28, 2016 (the "*Merger Agreement*"), pursuant to which the Merger Sub will merge with and into the Company, with the Company being the surviving company (the "*Merger*");

WHEREAS, the Merger Agreement contemplates that, immediately after the Merger, the Company will merge with and into Parent, with Parent being the surviving corporation (the "*Parent Merger*"); and

WHEREAS, the respective Boards of Directors of the Company and Parent have determined that the Parent Merger, under and pursuant to the terms and conditions herein set forth or referred to, is consistent with, and will further, the strategies and goals of the Company and Parent, respectively, and the Boards of Directors of the Company and Parent have authorized and approved the execution and delivery of this Agreement by their respective officers.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE 1
MERGER

Subject to the terms and conditions of this Agreement, on the Effective Date (as hereinafter defined), immediately following the Merger, the Company shall be merged with and into Parent pursuant to the provisions of, and with the effect provided in, the General Corporation Law of the State of Delaware (the "*DGCL*") and the Business Corporation Act of the State of Illinois (the "*IBCA*"). On the Effective Date, the separate existence of the Company shall cease, and Parent, as the surviving corporation (the "*Surviving Corporation*"), shall continue unaffected and unimpaired by the Parent Merger, and shall be liable for all the liabilities of the Company existing as of the Effective Date. Notwithstanding anything herein to the contrary, the Parent Merger shall not occur until the Merger occurs.

ARTICLE 2
ARTICLES OF INCORPORATION AND BY-LAWS

The Amended and Restated Certificate of Incorporation and the Restated By-Laws of Parent in effect immediately prior to the Effective Date shall be the Amended and Restated Certificate of Incorporation and the Restated By-Laws of the Surviving Corporation, in each case until amended in accordance with applicable law.

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ARTICLE 3
BOARD OF DIRECTORS AND OFFICERS

On the Effective Date, the Board of Directors of the Surviving Corporation shall consist of those persons serving as directors of Parent immediately prior to the Effective Date, and the officers of the Surviving Corporation shall consist of those persons serving as officers of Parent immediately prior to the Effective Date.

ARTICLE 4
CAPITAL

The shares of capital stock of Parent issued and outstanding immediately prior to the Effective Date shall, on the Effective Date, continue to be issued and outstanding and unaffected by the Parent Merger.

The shares of capital stock of the Company held by Parent immediately after the Merger and immediately prior to the Effective Date shall, on the Effective Date, by virtue of the Parent Merger, and without any action on the part of the holder thereof, be canceled and retired, and no cash, new shares of common stock, or other property shall be delivered in exchange therefor.

ARTICLE 5
EFFECTIVE DATE OF THE PARENT MERGER

The Parent Merger shall be effective at the time and date set forth in the certificate of merger and articles of merger filed in connection with the Parent Merger with the Secretary of State of the State of Delaware and the Secretary of State of the State of Illinois in accordance with the provisions of, and with the effect provided in, the DGCL and the IBCA, respectively, such date and time to immediately follow the Merger (such date and time being herein referred to as the "*Effective Date*").

ARTICLE 6
FURTHER ASSURANCES

If at any time the Surviving Corporation shall consider or be advised that any further assignments, conveyances or assurances are necessary or desirable to vest, perfect or confirm in the Surviving Corporation title to any property or rights of the Company, or otherwise carry out the provisions hereof, the proper officers and directors of the Company, as of the Effective Date, and thereafter the officers of the Surviving Corporation acting on behalf of the Company shall execute and deliver any and all proper assignments, conveyances and assurances, and do all things necessary or desirable to vest, perfect or confirm title to such property or rights in the Surviving Corporation and otherwise carry out the provisions hereof. The Parent Merger shall be subject to the approval of the sole shareholder of the Company, which may be obtained by written consent.

ARTICLE 7
TERMINATION

Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated by the mutual consent of the parties hereto and shall terminate automatically with no further action by either party in the event that the Merger Agreement is terminated.

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ARTICLE 8
AMENDMENTS

Before the Effective Time, any provision of this Agreement may be amended or modified at any time, but only by a written agreement executed in the same manner as this Agreement, except to the extent that any such amendment would violate applicable law.

ARTICLE 9
GOVERNING LAW

This Agreement is governed by, and will be interpreted in accordance with, the laws of the State of Delaware applicable to contracts made and to be performed entirely within that State.

ARTICLE 10
COUNTERPARTS

This Agreement may be executed in multiple counterparts, and may be delivered by means of facsimile or email (or any other electronic means such as ".pdf" or ".tiff" files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

* * *

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in counterparts by their duly authorized officers and attested by their officers thereunto duly authorized, all as of the day and year first above written.

FIRST MIDWEST BANCORP, INC.

By: _____

Name:
Title:

STANDARD BANCSHARES, INC.

By: _____

Name:
Title:

[SIGNATURE PAGE TO PARENT MERGER AGREEMENT]

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Annex 2

FORM OF BANK MERGER AGREEMENT

AGREEMENT AND PLAN OF MERGER OF
STANDARD BANK AND TRUST COMPANY
WITH AND INTO
FIRST MIDWEST BANK

This Agreement and Plan of Merger (this "*Agreement*") dated as of June 28, 2016, adopted and made by and between Standard Bank and Trust Company ("*Company Bank Sub*"), an Illinois state-chartered bank having its main office at 7800 West 95th Street, Hickory Hills, Illinois 60457, and First Midwest Bank ("*Parent Bank Sub*"), an Illinois state-chartered bank having its main office at One Pierce Place, Suite 1500, Itasca, Illinois 60143.

WITNESSETH:

WHEREAS, Company Bank Sub is an Illinois state-chartered bank organized and existing under the laws of the State of Illinois, the authorized capital stock of which consists of 314,040 shares of common stock, with a par value of $10.00 each, and all the issued and outstanding shares of which are owned as of the date hereof directly by Standard Bancshares, Inc., an Illinois corporation (the "*Company*");

WHEREAS, Parent Bank Sub is an Illinois state-chartered bank organized and existing under the laws of the State of Illinois, the authorized capital stock of which consists of 4,000,000 shares of common stock, with a par value of $10 each, and all the issued and outstanding shares of which are owned as of the date hereof by First Midwest Bancorp, Inc., a Delaware corporation ("*Parent*");

WHEREAS, the Company and Parent have entered into an Agreement and Plan of Merger dated as of an even date herewith (the "*Merger Agreement*"), pursuant to which Merger Sub will merge with and into the Company, with the Company as the surviving entity (the "*Merger*"). Immediately after the Merger, the Company will be merged with and into Parent, with Parent as the surviving entity (the "*Parent Merger*");

WHEREAS, the Merger Agreement contemplates that, following the Parent Merger, at a time determined by Parent, Company Bank Sub will merge with and into Parent Bank Sub, with Parent Bank Sub as the surviving entity;

WHEREAS, the parties have previously reviewed financial statements which set forth the Tier 1 Capital of Parent Bank Sub and Company Bank Sub as of March 31, 2016 and the projected assets, liabilities, income and Tier 1 Capital of the Surviving Bank following the Effective Date (as defined hereinafter), a copy of which is attached to this Agreement as *Annex 1*; and

WHEREAS, the respective Boards of Directors of Company Bank Sub and Parent Bank Sub deem the merger of Company Bank Sub with and into Parent Bank Sub, under and pursuant to the terms and conditions herein set forth or referred to, desirable and in the best interests of the respective banks, and the Boards of Directors of Company Bank Sub and Parent Bank Sub have authorized and approved the execution and delivery of this Agreement by their respective officers.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I
BANK MERGER

Subject to the terms and conditions of this Agreement, on the Effective Date (as hereinafter defined), at the time designated by Parent Bank Sub following effectiveness of the Parent Merger,

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Company Bank Sub shall be merged with and into Parent Bank Sub pursuant to the provisions of, and with the effect provided in, 205 ILCS 5/24 (the "*Banking Act*") (said transaction being hereinafter referred to as the "*Bank Merger*"). On the Effective Date, the separate existence of Company Bank Sub shall cease, and Parent Bank Sub, as the surviving entity, shall continue unaffected and unimpaired by the Bank Merger, and shall be liable for all the liabilities of Company Bank Sub existing at the Effective Date (Parent Bank Sub being hereinafter sometimes referred to as the "*Surviving Bank*"). The business of the Surviving Bank shall be that of an Illinois state-chartered bank and shall be conducted at its main office and its legally established branches.

ARTICLE II
CHARTER AND BY-LAWS

The Charter and By-Laws of Parent Bank Sub in effect immediately prior to the Effective Date shall be the Charter and By-Laws of the Surviving Bank, in each case until amended in accordance with applicable law.

ARTICLE III
BOARD OF DIRECTORS

On the Effective Date, the Board of Directors of the Surviving Bank shall consist of those persons serving as directors of Parent Bank Sub immediately prior to the Effective Date.

ARTICLE IV
CAPITAL

The shares of capital stock of Parent Bank Sub issued and outstanding immediately prior to the Effective Date shall, on the Effective Date, continue to be issued and outstanding.

The shares of capital stock of Company Bank Sub held by Parent immediately after the Parent Merger and immediately prior to the Effective Date shall, on the Effective Date, by virtue of the Bank Merger, and without any action on the part of the holder thereof, be canceled and retired, and no cash, new shares of common stock, or other property shall be delivered in exchange therefor.

ARTICLE V
EFFECTIVE DATE OF THE BANK MERGER

The Bank Merger shall be effective at the time and on the date specified in the certificate of merger issued by the Secretary of the Illinois Department of Financial and Professional Regulation (the "*Secretary*") with respect thereto or, at such later time as agreed to by the parties to this Agreement (such date and time being herein referred to as the "*Effective Date*"). Notwithstanding the foregoing, the consummation and effectiveness of the Merger and the Parent Merger shall be a condition precedent to the effectiveness of the Bank Merger.

ARTICLE VI
MAIN OFFICE

The main office of the Surviving Bank shall be One Pierce Place, Suite 1500, Itasca, Illinois 60143.

ARTICLE VII
APPROVALS AND FEES

This Agreement is subject to approval by the Secretary. Regardless of whether approval by the Secretary is granted, Parent Bank Sub and Company Bank Sub agree to pay the Secretary's expenses of examination. This Agreement is also subject to approval by the sole shareholder of each of Parent

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Bank Sub and Company Bank Sub and in accordance with such requirement, this Agreement has been unanimously ratified and confirmed by the sole shareholder of each of Company Bank Sub and Parent Bank Sub in accordance with 205 ILCS 5/23.

ARTICLE VIII
FURTHER ASSURANCES

If at any time the Surviving Bank shall consider or be advised that any further assignments, conveyances or assurances are necessary or desirable to vest, perfect or confirm in the Surviving Bank title to any property or rights of Company Bank Sub, or otherwise carry out the provisions hereof, the proper officers and directors of Company Bank Sub, as of the Effective Date, and thereafter the officers of the Surviving Bank acting on behalf of Company Bank Sub shall execute and deliver any and all proper assignments, conveyances and assurances, and do all things necessary or desirable to vest, perfect or confirm title to such property or rights in the Surviving Bank and otherwise carry out the provisions hereof.

ARTICLE IX
TERMINATION

Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated by the mutual consent of the parties hereto and shall terminate automatically with no further action by either party in the event that the Merger Agreement is terminated in accordance with the provisions thereof prior to the effectiveness of the Merger.

ARTICLE X
DISSENTING SHAREHOLDERS

Pursuant to the unanimous ratification and confirmation of this Agreement by the sole shareholder of each of Company Bank Sub and Parent Bank Sub, the rights of dissenting shareholders provided by the banking laws of the United States and the State of Illinois, including 205 ILCS 5/29, shall not apply.

ARTICLE XI
AMENDMENTS

Before the Effective Date, any provision of this Agreement may be amended or modified at any time, but only by a written agreement executed in the same manner as this Agreement, except to the extent that any such amendment would violate applicable law.

ARTICLE XII
GOVERNING LAW

This Agreement is governed by, and will be interpreted in accordance with, the laws of the State of Illinois applicable to contracts made and to be performed entirely within that State.

ARTICLE XIII
COUNTERPARTS

This Agreement may be executed in multiple counterparts, and may be delivered by means of facsimile or email (or any other electronic means such as ".pdf" or ".tiff" files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

* * *

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in counterparts by their duly authorized officers and attested by their officers thereunto duly authorized, all as of the day and year first above written.

ATTEST:	**STANDARD BANK AND TRUST COMPANY**
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____
ATTEST:	**FIRST MIDWEST BANK**
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____

[SIGNATURE PAGE TO BANK MERGER AGREEMENT]

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Appendix B

Standard Bancshares, Inc. Amended and Restated Articles of Incorporation

Sections 8.1 and 8.2:

8.1 Notwithstanding anything to the contrary herein, prior to the completion of a Qualifying IPO, the Corporation shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions without Primary Requisite Approval:

(a) enter into any transaction or series of transactions (A) involving a merger, reorganization, consolidation, exchange or other business combination transaction and (B) which results in any Person or group of related Persons (other than Persons who are also shareholders of the Company as of the Closing Date) acquiring more than fifty percent (50%) of the aggregate of (A) the issued and outstanding shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged), and (B) the number of shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) issuable upon conversion of the issued and outstanding shares of Non-Voting Common Stock (or any shares into which the Non-Voting Common Stock is converted, substituted or exchanged, and without regard to any limitations on conversion that may apply pursuant to the terms of the Non-Voting Common Stock);

(b) declare bankruptcy, dissolve, voluntarily liquidate or wind-up;

(c) participate in the Troubled Asset Relief Program (TARP), the Capital Purchase Program (CPP) or the small business lending program or any similar government program or engage in any FDIC-assisted transaction;

(d) amend these Amended and Restated Articles of Incorporation or the Bylaws in any manner;

(e) subject to the rights of certain shareholders of the Corporation pursuant to agreements existing from time to time between such shareholders and the Corporation, initiate any registered public offering of Corporation Securities or Subsidiary Securities; or

(f) agree or otherwise enter into binding commitments to take any actions set forth above.

8.2 Notwithstanding anything to the contrary herein, prior to the completion of a Qualifying IPO, the Corporation shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions without Secondary Requisite Approval:

(a) acquire or sell, transfer or otherwise dispose of any assets, business or entity (whether by purchase or sale of stock or assets, merger, business combination transaction or otherwise), or make any investment in any entity or business (other than a direct or indirect Subsidiary of the Corporation), or incur any indebtedness, assume any liabilities or issue any debt securities (other than for funding purposes in the ordinary course of business consistent with past practice), for consideration (including assumed indebtedness) or with a principal amount (as applicable) in excess of twenty percent (20%) of the consolidated shareholders equity of the Corporation, calculated in accordance with GAAP as of the quarter end immediately prior to such transaction;

(b) issue or repurchase any Corporation Securities or Subsidiary Securities (other than any option or other equity grants to directors, officers, employees or consultants of the Corporation or any of its Subsidiaries pursuant to employee benefit plans of the Corporation or any of its Subsidiaries approved by the Board of Directors, repurchases of Corporation Securities or Subsidiary Securities from directors, officers, employees, or consultants in connection with a termination of service on terms previously approved by the Board of Directors or, with respect to Subsidiary Securities, any issuances of Subsidiary Securities to the Corporation or any

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wholly-owned Subsidiary of the Corporation); *provided* that, notwithstanding the foregoing, a majority of the members of the entire Board of Directors may approve (without any approval of the Shareholders pursuant to this Section 8.2) the issuance of Corporation Securities or Subsidiary Securities to any Person if a majority of the members of the entire Board of Directors deem it necessary or advisable to ensure the safe and sound operation of the Corporation to satisfy any formal or informal regulatory order or directive applicable to the Corporation or any of its Subsidiaries;

(c) adopt or approve any plan involving the issuance of Corporation Securities or Subsidiary Securities to management of the Corporation and its Subsidiaries or modify or amend any such plan; or

(d) agree or otherwise enter into binding commitments to take any actions set forth above.

Definitions:

"Common Stock" means the voting common stock, par value $0.01 per share, of the Corporation.

"Corporation" means Standard Bancshares, Inc.

"Non-Voting Common Stock" means the non-voting common stock, par value $0.01 per share, of the Corporation.

"Primary Requisite Approval" means (a) the prior affirmative vote or written consent (if permitted) of at least a majority of the entire Board of Directors and (b) the prior affirmative vote or written consent of holders of at least fifty five percent (55%) of the Voting Securities.

"Qualifying IPO" means a firm commitment underwritten public offering of shares of Common Stock and/or shares of Non-Voting Common Stock (and/or any shares into which the Common Stock and/or Non-Voting Common Stock is converted, substituted or exchanged) for cash pursuant to a Registration Statement (i) pursuant to which there is establishes a listing on a U.S. national securities exchange for the Common Stock and/or shares of Non-Voting Common Stock (and/or any shares into which the Common Stock and/or Non-Voting Common Stock is converted, substituted or exchanged), and (ii) with aggregate gross proceeds of the Company of at least seventy-five million U.S. dollars ($75,000,000).

"Secondary Requisite Approval" means either (a) the prior affirmative vote or written consent (if permitted) of at least two-thirds (2/3rd) of the entire Board of Directors or (b) (i) the prior affirmative vote or written consent (if permitted) of at least a majority of the entire Board of Directors and (ii) the prior affirmative vote or written consent of holders of at least a majority of the holders of Voting Securities.

"Voting Securities" means shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) and any other securities of the Corporation entitled to vote together with the Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) as a single class on all matters with respect to which the Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) is entitled to vote.

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Standard Bancshares, Inc. Shareholders Agreement

Section 2.8

2.8 Certain Approvals.

(a) Notwithstanding anything to the contrary herein, prior to the completion of a Qualifying IPO, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions without Primary Requisite Approval:

(i) enter into any transaction or series of transactions (A) involving a merger, reorganization, consolidation, exchange or other business combination transaction and (B) which results in any Person or group of related Persons (other than Persons who are also shareholders of the Company as of the date hereof) acquiring more than fifty percent (50%) of the aggregate of (A) the issued and outstanding shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged), and (B) the number of shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) issuable upon conversion of the issued and outstanding shares of Non-Voting Common Stock (or any shares into which the Non-Voting Common Stock is converted, substituted or exchanged, and without regard to any limitations on conversion that may apply pursuant to the terms of the Non-Voting Common Stock);

(ii) declare bankruptcy, dissolve, voluntarily liquidate or wind-up;

(iii) participate in the Troubled Asset Relief Program (TARP), the Capital Purchase Program (CPP) or the small business lending program or any similar government program or engage in any FDIC-assisted transaction;

(iv) amend the Charter or the Bylaws in any manner;

(v) subject to the rights of the Investor Shareholders under the Registration Rights Agreement, initiate any registered public offering of Company Securities or Subsidiary Securities; or

(vi) agree or otherwise enter into binding commitments to take any actions set forth above.

(b) Notwithstanding anything to the contrary herein, prior to the completion of a Qualifying IPO, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions without Secondary Requisite Approval:

(i) acquire or sell, transfer or otherwise dispose of any assets, business or entity (whether by purchase or sale of stock or assets, merger, business combination transaction or otherwise), or make any investment in any entity or business (other than a direct or indirect Subsidiary of the Company), or incur any indebtedness, assume any liabilities or issue any debt securities (other than for funding purposes in the ordinary course of business consistent with past practice), for consideration (including assumed indebtedness) or with a principal amount (as applicable) in excess of twenty percent (20%) of the consolidated shareholders equity of the Company, calculated in accordance with GAAP as of the quarter end immediately prior to such transaction;

(ii) issue or repurchase any Company Securities or Subsidiary Securities (other than any option or other equity grants to directors, officers, employees or consultants of the Company or any of its Subsidiaries pursuant to employee benefit plans of the Company or any of its Subsidiaries approved by the Board of Directors, repurchases of Company Securities or Subsidiary Securities from directors, officers, employees, or consultants in

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connection with a termination of service on terms previously approved by the Board of Directors or, with respect to Subsidiary Securities, any issuances of Subsidiary Securities to the Company or any wholly-owned Subsidiary of the Company); *provided* that, notwithstanding the foregoing, a majority of the members of the entire Board of Directors may approve (without any approval of the Shareholders pursuant to this Section 2.8(b)) the issuance of Company Securities or Subsidiary Securities to any Person if a majority of the members of the entire Board of Directors deem it necessary or advisable to ensure the safe and sound operation of the Company to satisfy any formal or informal regulatory order or directive applicable to the Company or any of its Subsidiaries;

(iii) adopt or approve any plan involving the issuance of Company Securities or Subsidiary Securities to management of the Company and its Subsidiaries or modify or amend any such plan; or

(iv) agree or otherwise enter into binding commitments to take any actions set forth above.

Definitions:

"Common Stock" means the voting common stock, par value $0.01 per share, of the Company.

"Company" means Standard Bancshares, Inc.

"Non-Voting Common Stock" means the non-voting common stock, par value $0.01 per share, of the Company.

"Primary Requisite Approval" means (a) the prior affirmative vote or written consent (if permitted) of at least a majority of the entire Board of Directors and (b) the prior affirmative vote or written consent of holders of at least fifty five percent (55%) of the Voting Securities.

"Qualifying IPO" means a firm commitment underwritten public offering of shares of Common Stock and/or shares of Non-Voting Common Stock (and/or any shares into which the Common Stock and/or Non-Voting Common Stock is converted, substituted or exchanged) for cash pursuant to a Registration Statement (i) pursuant to which there is establishes a listing on a U.S. national securities exchange for the Common Stock and/or shares of Non-Voting Common Stock (and/or any shares into which the Common Stock and/or Non-Voting Common Stock is converted, substituted or exchanged), and (ii) with aggregate gross proceeds of the Company of at least seventy-five million U.S. dollars ($75,000,000).

"Secondary Requisite Approval" means either (a) the prior affirmative vote or written consent (if permitted) of at least two-thirds (2/3rd) of the entire Board of Directors or (b) (i) the prior affirmative vote or written consent (if permitted) of at least a majority of the entire Board of Directors and (ii) the prior affirmative vote or written consent of holders of at least a majority of the holders of Voting Securities.

"Voting Securities" means shares of Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) and any other securities of the Company entitled to vote together with the Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) as a single class on all matters with respect to which the Common Stock (or any shares into which the Common Stock is converted, substituted or exchanged) is entitled to vote.

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Appendix C

Standard Bancshares, Inc. Amended and Restated Articles of Incorporation

Section 4.2(a):

4.2 *Common Stock.* The Common Stock shall consist of two separate classes, of which 65,000,000 shares shall be voting Common Stock (the "**Common Stock**") and 15,000,000 shares shall be non-voting Common Stock (the "**Non-Voting Common Stock**"). Except as set forth in this Section 4.2, the Non-Voting Common Stock shall have the same rights and privileges, share ratably and be identical in all respects to Common Stock as to all matters. Each share of Non-Voting Common Stock shall have the same relative powers, preferences and rights as, and shall be identical in all respects with, all the other shares of Non-Voting Common Stock of the Corporation.

(a) *Voting Rights*.

(i) Subject to the provisions of applicable law or regulation or the Amended and Restated Bylaws of the Corporation (as from time to time amended in accordance with these Amended and Restated Articles of Incorporation, the "**Bylaws**") with respect to fixing the record date for the determination of shareholders entitled to vote, and except as otherwise provided by applicable law or regulation or by resolution or resolutions of the Board of Directors providing for the issue of any series of Preferred Stock, the holders of the Common Stock shall have and possess exclusive voting power and rights for the election of directors and for all other purposes, with each share being entitled to one vote.

(ii) The holders of Non-Voting Common Stock shall have no voting rights except as provided herein or required by applicable law or regulation. Notwithstanding the foregoing, and in addition to any other vote required by applicable law or regulation, the affirmative Vote of the holders of a majority of the outstanding shares of Non-Voting Common Stock, Voting separately as a class, shall be required to amend, alter, change or repeal (including by merger, consolidation or otherwise) any provision of these Amended and Restated Articles of Incorporation that significantly and adversely affects the powers, preferences, rights or privileges of the Non-Voting Common Stock contained herein.

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Appendix D

LIST OF PARTIES ENTERING INTO THE COMMON VOTING AGREEMENT

1. Lawrence P. Kelley
2. Robert A. Rosholt
3. John R. Barber
4. Christopher Doody
5. John D. Gallagher
6. Timothy J. Gallagher
7. Allen Koranda
8. Howard K. Priess II
9. Charles E. Shomo IV
10. Trident SBI Holdings, LLC
11. Pantheon Standard, L.P.
12. The Gallagher Standard Bancshares Trust
13. The Gallagher Family Standard Bancshares Trust
14. Gallagher GS Trust
15. Robert Kelly
16. Kelly Beaty

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FORM OF COMMON VOTING AGREEMENT

[•], 2016

[PARENT]
[*Address*]

Ladies and Gentlemen:

The undersigned, being a shareholder of [COMPANY], an Illinois corporation (the "*Company*"), hereby acknowledges that the Company, [PARENT], a Delaware corporation ("*Parent*") and [MERGER SUB], an Illinois corporation ("*Merger Sub*"), are concurrently entering into an Agreement and Plan of Merger, dated as of an even date herewith (as amended or modified from time to time, the "*Merger Agreement*"), pursuant to which Merger Sub will be merged with and into the Company (the "*Merger*"), and subsequently, the Company will be merged with and into Parent. A copy of the Merger Agreement has been provided to the undersigned. Capitalized terms used but not defined herein are to be deemed to have the meanings assigned to them in the Merger Agreement. If this agreement is being provided on behalf of a trust, the term "undersigned" shall include both the trust and the trustee.

The undersigned further acknowledges that the undersigned will benefit directly and substantially from the consummation of the Merger. As an inducement to and condition of Parent's willingness to enter into the Merger Agreement, the undersigned hereby agrees, represents and warrants as follows:

1. *Owned Shares*. The undersigned owns (of record or beneficially) and has the full power and authority to vote the number of shares of Company Voting Common Stock and Company Non-Voting Common Stock set forth on the signature page hereof (the "*Owned Shares*"). For all purposes of this agreement, the Owned Shares will include any shares of Company Voting Common Stock and Company Non-Voting Common Stock as to which the undersigned acquires beneficial ownership after the date hereof.

2. *Agreement to Vote Owned Shares*. The undersigned agrees that at the Company Meeting or any other meeting or action of the shareholders of the Company, including a written consent solicitation, the undersigned will (a) vote all the Owned Shares (or otherwise provide a proxy or consent) in favor of, and will otherwise support, approval, and will not initiate any proxy solicitation or undertake any other efforts not to support approval, of the Merger Agreement, the Merger and any other matters required to be approved or adopted in order to effect the Merger and the transactions contemplated by the Merger Agreement, including the other Company Shareholder Matters, and (b) not vote the Owned Shares (or otherwise provide a proxy or consent) in favor of, or otherwise support, approval of any Acquisition Proposal or any action that is intended to, or could reasonably be expected to, materially impede, interfere with, delay or otherwise materially and adversely affect the Merger or the transactions contemplated by the Merger Agreement. Notwithstanding anything to the contrary herein, the parties acknowledge that this letter agreement is entered into by the undersigned solely in his or her capacity as legal title and beneficial holder of the Owned Shares and that nothing in this letter agreement shall prevent any person from discharging his or her fiduciary duties as a member of the Company Board or as an officer of the Company.

3. *Transfer of Owned Shares and Subject Parent Common Stock*.

(a) Prior to the Effective Time, the undersigned agrees that the undersigned will not, without the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned) (1) directly or indirectly, sell, hypothecate, gift, bequeath, transfer, assign, pledge or in any way whatsoever otherwise encumber or dispose of (whether for or without consideration, whether voluntarily or involuntarily or by operation of law), or enter into any contract, option, commitment, derivative or other arrangement or understanding with respect to any of the foregoing (each, a

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"*Transfer*") of, any of the Owned Shares, unless the proposed transferee executes and delivers an agreement that pursuant to which such proposed transferee agrees to comply with the requirements of this letter agreement and the undersigned provides prior written notice to Parent of any such proposed Transfer, or (2) take any action or omit to take any action which would prohibit, prevent or preclude the undersigned from performing its obligations under this letter agreement. [BRACKETED LANGUAGE APPLICABLE FOR TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST, THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST AND GALLAGHER GS TRUST] [Notwithstanding the foregoing or anything else to the contrary herein,] Parent acknowledges [and agrees] that the undersigned may[, prior to the Effective Time,] Transfer any or all of the Owned Shares [(and, after the Effective Time, any or all of the Subject Parent Common Stock)] for estate planning purposes [without the consent of Parent] so long as the proposed transferee executes and delivers an agreement that pursuant to which such proposed transferee agrees to comply with the requirements of this letter agreement and the undersigned provides prior written notice to Parent of any such proposed Transfer.

(b) [APPLICABLE FOR LARRY KELLEY, TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST, THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST, GALLAGHER GS TRUST, BOB KELLY, KELLY BEATY, TRIDENT AND PANTHEON] [Except as permitted in Section 3(a), from the date hereof until [the sixtieth (60th) day following the Closing Date] [APPLICABLE FOR GALLAGHER GS TRUST][the earlier of (1) the death of Shirley J. Gallagher and (2) the sixtieth (60th) day following the Closing Date], the undersigned agrees that the undersigned and its [controlled] Affiliates will not, without the prior written consent of Parent, directly or indirectly, Transfer any Owned Shares or any share of Parent Common Stock received by the undersigned or its [controlled] Affiliates in connection with the Merger or otherwise owned by the undersigned or its Affiliates.]

(c) [APPLICABLE FOR LARRY KELLEY][Notwithstanding anything to the contrary herein, including Section 3(d), during the three hundred and sixty (360) day period following the Closing Date, the undersigned agrees that the undersigned and its Affiliates will not, directly or indirectly, without the prior written consent of Parent, Transfer more than fifty percent (50%) of the shares of Parent Common Stock received by the undersigned or its Affiliates in connection with the Merger or otherwise owned by the undersigned or its Affiliates (the "*Subject Parent Common Stock*").] // [APPLICABLE FOR TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST AND THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST][Notwithstanding anything to the contrary herein, including Section 3(d), during the three hundred and sixty (360) day period following the Closing Date, the undersigned agrees that the undersigned and its Affiliates will own collectively, directly, indirectly or beneficially, an aggregate amount equal to at least ten percent (10%) of the shares of Parent Common Stock received by the undersigned and its Affiliates in connection with the Merger (together with any shares of Parent Common Stock otherwise owned by the undersigned or its Affiliates, the "*Subject Parent Common Stock*").]

(d) [APPLICABLE FOR LARRY KELLEY, TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST, THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST, BOB KELLY, KELLY BEATY, TRIDENT AND PANTHEON][The undersigned agrees that the undersigned and its [controlled] Affiliates will not otherwise, at any time, directly or indirectly, without the prior written consent of Parent, Transfer any shares of Subject Parent Common Stock, except as follows:

(1) in brokerage transactions on any given day in an amount less than or equal to twenty percent (20%) of the average daily trading volume of Parent Common Stock for the 20-trading day period immediately preceding the date of such Transfer; or

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(2) through a block trade; *provided*, *however*, that before effecting such a block trade, the undersigned has provided at least seventy-two (72) hours prior written notice of such proposed block trade to Parent.]

(e) [APPLICABLE FOR LARRY KELLEY, BOB KELLY AND KELLY BEATY][Notwithstanding anything to the contrary herein, the undersigned agrees that the undersigned and its Affiliates will at all times hold at least the minimum number of shares of Parent Common Stock required by Parent's policies and procedures to be held by executive officers of Parent.]

(f) The restrictions set forth in Sections 3(b), 3(c) and 3(d) shall not apply to Transfers of Parent Common Stock to any wholly owned Subsidiary or controlled Affiliate of the undersigned; *provided*, that the undersigned and the proposed transferee comply with the requirements set forth in this agreement and the undersigned provides prior written notice to Parent of any such proposed Transfer; *provided*, *further*, that in the event that any such transferee ceases to be a wholly owned Subsidiary or controlled Affiliate of the undersigned, then such transferee shall immediately Transfer its Parent Common Stock to the undersigned or another wholly owned Subsidiary or controlled Affiliate of the undersigned.

(g) The shares of Parent Common Stock received by the undersigned in the Merger shall be issued to the undersigned without any restrictive legends.

4. *Further Assurances*. The undersigned, solely in his, her or its capacity as a shareholder of the Company, will take all reasonable actions and make all reasonable efforts, and will execute and deliver all such further documents, certificates and instruments, in order to consummate the transactions contemplated hereby and by the Merger Agreement, including, without limitation, the agreement of the undersigned to vote the Owned Shares in accordance with Section 2 hereof. The undersigned acknowledges and agrees that in the event that the Company Board submits any of the Company Shareholder Matters to its shareholders without recommendation, or withdraws its recommendation in accordance with Section 6.2 of the Merger Agreement, all obligations in this agreement, including the agreement of the undersigned to vote the Owned Shares in accordance with the first sentence of Section 2 hereof, shall remain in full force and effect.

5. *No Solicitation*. The undersigned, solely in his, her or its capacity as a shareholder of the Company, agrees that the undersigned shall not, and shall direct the undersigned's, agents and representatives (including, without limitation, any investment banker, attorney or accountant retained by the undersigned) not to, knowingly initiate, maintain, solicit or encourage, directly or indirectly, any inquiries or the making of any Acquisition Proposal or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to an Acquisition Proposal, or otherwise knowingly facilitate any effort or attempt to make or implement an Acquisition Proposal.

6. [APPLICABLE TO TRIDENT, PANTHEON, TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST AND THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST] *Standstill*.

(a) Subject to Section 6(b), during the Standstill Period, without the prior written consent of Parent, the undersigned shall not, and shall not permit its Affiliates to: (1) [APPLICABLE TO TRIDENT AND PANTHEON][acquire, offer or propose to acquire, or agree or seek to acquire, or solicit the acquisition of, by purchase or otherwise, any equity securities of Parent; (2)] form, join or in any way participate in, or enter into any agreement, arrangement or understanding with, a "group" (within the meaning of Section 13(d)(3) of the Exchange Act and the rules and regulations thereunder) with respect to any equity or equity-linked or voting securities of Parent; (3) commence any tender or exchange offer for any equity securities of Parent or Rights as to any securities of Parent (other than pursuant to any stock split or stock dividend or similar corporate action affecting all shareholders on a

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pro rata basis); (4) enter into or agree, offer, propose or seek (whether publicly or otherwise) to enter into, or otherwise be involved in or part of, any acquisition transaction, merger or other business combination relating to all or part of Parent or its Significant Subsidiaries or any acquisition transaction for all or part of the assets of Parent or its Significant Subsidiaries or any of their respective businesses or any recapitalization, restructuring, change in control or similar extraordinary transaction involving Parent or its Significant Subsidiaries; (5) call or seek to call a meeting of the stockholders of Parent or initiate any stockholder proposal for action by stockholders of Parent; (6) enter into any discussions, negotiations, arrangements or understandings with any other person with respect to any of the foregoing activities; (7) advise, assist, encourage, act as a financing source for or otherwise invest in any other person in connection with any of the foregoing; (8) request that Parent amend, waive or otherwise consent to any action inconsistent with any provision of this Section 6; (9) nominate, seek to nominate or propose any person for election to the Board of Directors of Parent; (10) seek to amend the Amended and Restated Certificate of Incorporation of Parent or the Restated By-Laws of Parent; (11) publicly disclose through its authorized representatives any intention, plan or arrangement inconsistent with any of the foregoing; or (12) expressly take any initiative with respect to Parent which could require Parent to make a public announcement regarding (A) such initiative or (B) any of the foregoing activities.

(b) Notwithstanding Section 6(a), the parties agree that Section 6(a) shall not prevent or limit the undersigned or any of its Affiliates from engaging in any activities on behalf of clients in connection with brokerage, custodial, discretionary and other money and asset management, mutual and other similar fund or research businesses, activities and services in the ordinary course of its business; *provided*, that the purpose of the undersigned or its Affiliates is not to avoid the provisions of Section 6.

(c) For purposes of this Section 6, "Standstill Period" shall mean the period commencing on the Closing Date and terminating on [APPLICABLE TO TRIDENT AND PANTHEON][the first day on which the outstanding shares of Parent Common Stock beneficially owned by the undersigned and all of its Affiliates then held is less than twenty percent (20%) of the number of outstanding shares of Parent Common Stock that were beneficially owned by the undersigned and all of its Affiliates at the Effective Time.][APPLICABLE TO TIM GALLAGHER, JOHN GALLAGHER, THE GALLAGHER STANDARD BANCSHARES TRUST AND THE GALLAGHER FAMILY STANDARD BANCSHARES TRUST][fifteen (15) month anniversary of the Closing Date.]

7. *Waiver of Certain Rights and Claims*. To the extent applicable, effective as of the Effective Time, the undersigned irrevocably agrees to waive and does hereby waive (1) any and all rights to which the undersigned has been, is or may be entitled under (A) the Company Shareholders Agreement, (B) the Registration Rights Agreement and (C) the Investment Agreement, dated as of November 5, 2012, by and between the Company and the undersigned (the "*Investment Agreement*"); (2) any and all claims (whether at law, at equity, through arbitration or otherwise) against the Company, Parent, the Surviving Corporation and their respective Affiliates and each of their respective officers, employees and directors to the extent relating to, in connection with or arising from the Company Shareholders Agreement, the Registration Rights Agreement or the Investment Agreement; and (3) any and all claims arising prior to or as of the Effective Time as a result of the undersigned's ownership of the Owned Shares (whether at law, at equity, through arbitration or otherwise) against the Company and entities that are its Affiliates prior to the Effective Time and each of their respective officers, employees and directors (and against Parent and the Surviving Corporation and their respective Affiliates, as applicable, each as successors to the Company or any entity that is any Affiliate of the Company prior to the Effective Time), including without limitation claims relating to, in connection with or arising from the Merger Agreement or the Merger, the due authorization and execution and fairness (to the undersigned or otherwise) of the Merger Agreement or the Merger and the other transactions contemplated by the Merger Agreement, other than the right to receive

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dividends declared prior to the Effective Time and the consideration provided for in the Merger Agreement upon consummation of the Merger. To avoid doubt, the waiver contained in this Section 7 shall be absolute and perpetual effective as of the Effective Time unless and until such time as this agreement is terminated pursuant to Section 11 below.

8. *Company Stock Settled Rights*. If the undersigned holds any Company Stock Settled Rights, then the undersigned hereby agrees to and confirms the Independent Committee value determination of $17.99 per share of Company Common Stock, in connection with the redemption of the Company Stock Settled Rights in accordance with Section 2.6 of the Stock Settled Rights Agreement and Section 3.2(c) of the Merger Agreement. To the extent necessary, the agreement set forth in this Section 8, together with any similar agreement for all other holders of Company Stock Settled Rights, shall constitute an amendment to the Stock Settled Rights Agreement to such effect.

9. *Company Shareholders Agreement*. To the extent relevant and applicable with respect to any "Transfer" under the Company Shareholders Agreement contemplated by this agreement, Parent hereby agrees to be bound by the terms of the Company Shareholders Agreement until the earlier of the termination of this agreement pursuant to Section 11 below and the termination of the Company Shareholders Agreement at the Effective Time.

10. *Specific Performance*. The undersigned agrees that irreparable damage would occur in the event that any of the provisions of this agreement were not performed by the undersigned in accordance with their specific terms or were otherwise breached. Accordingly, the undersigned agrees that Parent will be entitled to an injunction or injunctions to prevent breaches hereof by the undersigned and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which Parent is entitled at law or in equity, and that the undersigned waives the posting of any bond or security in connection with any proceeding related thereto.

11. *Termination of this Agreement*. This agreement will terminate automatically upon the termination of the Merger Agreement by either or both of the Company or Parent pursuant to Section 8.1 of the Merger Agreement. Upon such termination, no party shall have any further obligations or liabilities hereunder; *provided*, *however*, such termination will not relieve any party from liability for any willful breach of this agreement prior to such termination.

12. *Certain Representations and Warranties.* The undersigned hereby represents and warrants to Parent that the undersigned has the right, power and authority to execute and deliver this agreement; such execution and delivery, and the performance by the undersigned of each of its obligations under this agreement, does not and will not violate, result in a breach of, or require any consent, approval, or notice under, any trust instrument, organizational document, contract or agreement of any type or Law; and this agreement has been duly executed and delivered by the undersigned and constitutes a legal, valid and binding agreement of the undersigned, enforceable in accordance with its terms (except to the extent that enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws or equitable principles or doctrines).

13. *Appraisal Rights.* The undersigned hereby waives and agrees not to exercise any rights of appraisal or rights to dissent from the transactions contemplated by the Merger Agreement that he, she or it may have with respect to the Owned Shares under applicable Law.

14. *Governing Law*. This agreement is governed by, and will be interpreted in accordance with, the laws of the State of Illinois applicable to contracts made and to be performed entirely within that State.

15. *Counterparts*. This agreement may be executed in multiple counterparts, and may be delivered by means of facsimile or email (or any other electronic means such as ".pdf" or ".tiff" files),

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each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

16. *Severability*. Each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more provisions contained in this agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, (a) all other provisions of this agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transaction contemplated hereby is not affected in a manner materially adverse to any party and (b) the parties shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby can be consummated as originally contemplated to the greatest extent possible.

17. *Third Party Beneficiary*. The parties hereby designate the Company as an express third-party beneficiary of this Agreement having the right to enforce the terms herein, including, without limitation, Section 2 and Section 3(a).

* * *

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The undersigned has executed and delivered this agreement as of the day and year first above written.

Very truly yours,

_____

Name: _____

Title: _____

Number of Shares of Company Voting Common Stock: _____

Number of Shares of Company Non-Voting Common Stock: _____

ACCEPTED AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN:

[PARENT]

By: _____

Name: _____

Title: _____

[SIGNATURE PAGE TO COMMON VOTING AGREEMENT]

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Appendix E

LIST OF PARTIES ENTERING INTO THE NON-COMPETITION AGREEMENT

1. Lawrence P. Kelley
2. Robert A. Rosholt
3. John R. Barber
4. Christopher Doody
5. John D. Gallagher
6. Timothy J. Gallagher
7. Allen Koranda
8. Howard K. Priess II
9. Charles E. Shomo IV
10. Trident SBI Holdings, LLC
11. Pantheon Standard, L.P.
12. The Gallagher Standard Bancshares Trust
13. The Gallagher Family Standard Bancshares Trust
14. Robert Kelly
15. Kelly Beaty
16. Gallagher GS Trust

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**FORM OF CONFIDENTIALITY,
NON-SOLICITATION [AND NON-COMPETITION] AGREEMENT**

CONFIDENTIALITY, NON-SOLICITATION [AND NON-COMPETITION] AGREEMENT (the "*Agreement*"), dated as of [•], 2016, by and among [COMPANY], an Illinois corporation (the "*Company*"), [PARENT], a Delaware corporation ("*Parent*"), and the undersigned (the "*Covenantor*"). Capitalized terms not defined herein shall have the meaning set forth in the Merger Agreement (as defined below).

WHEREAS, Covenantor is currently an executive officer, member of the Board of Directors or shareholder of the Company and/or [•], a wholly-owned Subsidiary of the Company ("*Company Bank Sub*"), and owns (of record or beneficially) the number of shares of Company Common Stock set forth on the signature page hereof ("*Owned Shares*");

WHEREAS, Parent, Company and [MERGER SUB], an Illinois corporation ("*Merger Sub*") are entering into an Agreement and Plan of Merger on the date hereof (the "*Merger Agreement*"), upon the terms and subject to the conditions of which the parties intend to effect a strategic business combination pursuant to which Merger Sub will merge with and into the Company, with the Company as the surviving corporation (the "*Merger*"), and subsequently, the Company will be merged with and into Parent, with Parent as the surviving corporation, and the Company will cause the Company Bank Sub to merge with and into [•], a wholly owned Subsidiary of Parent, with Parent Sub Bank being the surviving bank ("*Parent Bank Sub*");

WHEREAS, Covenantor agrees to enter into this Agreement containing covenants that the parties acknowledge and agree are essential to the sale or transfer of the Company's business to Parent as a result of consummation of the Merger and for other good and valuable consideration, the receipt of which is hereby acknowledged; and

WHEREAS, Covenantor, Company and Parent acknowledge and agree that the post-Merger covenants contained herein are reasonable and necessary to protect the goodwill of the Company and Company Bank Sub that is being acquired by Parent in the Merger.

NOW, THEREFORE, in consideration of the foregoing and the mutual commitments contained in this Agreement, the parties hereto agree as follows:

1. *Effectiveness; Effect on Prior Agreements.* This Agreement shall be effective as of the date hereof. Notwithstanding the foregoing, if the Merger Agreement is terminated in accordance with the provisions thereof, this Agreement shall be null and void.

2. *Confidential Information.* (a) Covenantor agrees to keep secret and confidential all documents, materials and information about or relating to the Company, Company Bank Sub, Parent, Parent Bank Sub any of their respective Subsidiaries or any of their respective businesses, including, without limitation, information about customers or prospective customers, business contacts, transactions, contracts, intellectual property, finances, personnel, products and pricing, or corporate affairs of which Covenantor is aware, whether or not relating to or arising out of Covenantor's specific duties and all other documents, materials and information relating to the Company, Company Bank Sub or any of their respective subsidiaries or any of their respective businesses ("*Confidential Information*"). Covenantor shall not disclose or make known any such Confidential Information or anything relating thereto to any person or entity except (i) in connection with the ordinary course of the Company and/or its Subsidiaries' business prior to the Effective Time, consistent with past practices, (ii) to officers, directors, employees, agents and advisors of Parent and its Subsidiaries (iii) to such other persons or entities as may be authorized by Parent and (iv) to the extent required by Law or requested by regulatory authority. Confidential Information is limited to information that is not generally known to the Company's competitors, that has not been voluntarily disclosed to the public by

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the Company, and that is not otherwise in the public domain, except as a result of a disclosure by Covenantor in breach of this Agreement.

(b) Upon Covenantor ceasing to be an officer, member of the Board of Directors of the Company and/or Company Bank Sub or holder of greater than five percent (5%) of the outstanding Company Common Stock for any reason, unless Covenantor is an employee of Parent or Parent Bank Sub, Covenantor shall promptly return to Parent and its Subsidiaries any and all Confidential Information in Covenantor's possession or under Covenantor's control, including, without limitation, all reports, analyses, summaries, notes, or other documents or work papers, containing or based upon any Confidential Information, whether prepared by Parent or any of its Subsidiaries or the Company or any of its Subsidiaries, Covenantor or any other person or entity; *provided*, however, that in lieu of returning such Confidential Information, Covenantor may (at his, her or its sole election) destroy such Confidential Information and confirm such destruction to Parent; and *provided*, further, that Covenantor shall not be required to return or destroy any Confidential Information as may be required to be retained by him, her or it by Law.

(c) Should any person or entity request in any manner that Covenantor disclose any Confidential Information, Covenantor shall promptly notify Parent of such request and the content of all communications and discussions relating thereto unless otherwise prohibited by Law.

3. *[Covenant not to Compete]; Non-Solicitation of Employees and Customers; Non-Disparagement of Parent*.

(a) [SECTION 3(a) TO BE APPLICABLE FOR ALL PARTIES OTHER THAN TRIDENT AND PANTHEON] [Covenantor agrees that for [a][an] [two (2) year](1)[eighteen (18) month](2)[six (6) month](3) period immediately following the effective time of the Merger as provided by the Merger Agreement (the "*Effective Time*"), Covenantor and its [controlled] Affiliates will:(4)

(1) not, directly or indirectly (whether as principal, agent, independent contractor, consultant, advisor, director, officer, employee or otherwise), own, manage, operate, join, be employed by, control or otherwise carry on, participate in the ownership, management, operation or control of, or engage in any business offering the same or substantially similar lending, deposit taking or other banking products or services, including without limitation, all trust, fiduciary or agency services provided by [Parent Bank Sub, as those offered or sold by]the Company,[or] Company Bank Sub[or the Parent], or any of their respective Subsidiaries, immediately [after][prior to] the Effective Time (a "*Competing Business*"), in any county within the State of Illinois and the State of Indiana, and within a 100 mile radius of each such county, where the Company, the Company Bank Sub[, Parent,] or any of their respective Subsidiaries has banking facilities or within which it conducts business immediately [after][prior to] the Effective Time of the Merger (for purposes of the foregoing, a Competing Business shall include any organizational activities with respect to a business that would be a Competing Business once such business is organized and operating); *provided*, *however*, that Covenantor and its Affiliates shall not be prohibited from owning passively less than five percent (5%) of the aggregate of any class of capital stock of any corporation if such stock is publicly traded and listed on any national stock exchange, whether or not such corporation

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(1) *Note to Draft*: Applicable for Larry Kelley.

(2) *Note to Draft*: Applicable for the Gallagher family signatories to this Agreement and Bob Kelly and Kelly Beaty.

(3) *Note to Draft*: Applicable for independent directors.

(4) *Note to Draft*: Restrictions in (1) below will be based on the products, services and business activities and locations of the Company and Company Bank Subsidiary for Gallagher family signatories and independent directors.

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is a Competing Business; *provided*, *further*, that Covenantor and its Affiliates shall not be prohibited from engaging in any business (other than the Competing Business) in which Covenantor or its Affiliates otherwise engage as of the date hereof; and

(2) inform any Competing Business which seeks to engage the services of Covenantor or its Affiliates that Covenantor and its Affiliates are bound by this Section 3 and the other terms of this Agreement.]

(b) Covenantor agrees that for [a][an] [one (1) year](5)[two (2) year](6)[eighteen (18) month](7)[six (6) month](8) period immediately following the Effective Time, Covenantor and its [controlled] Affiliates will:

(1) not solicit or induce or attempt to solicit or induce, directly or indirectly, any employee of the Company, Company Bank Sub or the Parent, or any of their respective Subsidiaries [(other than any family member)](9), whether or not such person would commit a breach of any employment agreement by reason of leaving service, to terminate such employee's employment relationship with the Company, Company Bank Sub or Parent (or Parent Bank Sub following the Merger), or any of their respective Subsidiaries; and

(2) not (x) solicit by mail, by telephone, by personal meeting, by electronic communication, through publications or other media or by any other means, either directly or indirectly, any customer of the Company, Company Bank Sub or Parent, or any of their respective Subsidiaries with whom Covenantor or its Affiliates had contact for the purpose of conducting Company or Company Bank Sub business, for whom Covenantor or its Affiliates had supervisory responsibility or about whom Covenantor or its Affiliates had access to Confidential Information [prior to the Effective Time](10) (each, a "*Restricted Customer*"); or (y) intentionally interfere with or damage (or attempt to interfere with or damage) any relationship between Parent, Parent Bank Sub or any affiliates thereof, on the one hand, and any such Restricted Customer, on the other hand[; *provided* that in no event shall any member of the Gallagher or Henry families or any Affiliate thereof be a Restricted Customer for purposes of this Agreement].(11) For purposes of the non-solicitation restriction contained in Section 3(b)(2)(x) and (y), "Restricted Customer" also includes any individual or entity specifically and reasonably identified by the Company by written notice to Covenantor at the time of the Merger as a prospective customer of the Company, and with whom Covenantor or its Affiliates had contact on behalf of the Company in an attempt to conduct Company business, or about whom Covenantor or its Affiliates received Confidential Information[prior to the Effective Time]. For purposes of clarity, the termination of Covenantor's employment with Parent, if applicable, shall not by itself be treated as a violation of Section 3(b)(2)(y).

(c) Covenantor acknowledges and understands that the Company's and Parent's, and their respective Subsidiaries', good name and goodwill are extremely valuable and the result of the expenditure of substantial time, effort and resources by the respective party. Therefore, during the

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(5) *Note to Draft*: Applicable for Trident and Pantheon.

(6) *Note to Draft*: Applicable for Larry Kelley.

(7) *Note to Draft*: Applicable for Tim Gallagher, John Gallagher, Bob Kelly and Kelly Beaty.

(8) *Note to Draft*: Applicable for independent directors.

(9) *Note to Draft*: To be included for Gallagher family shareholders only.

(10) *Note to Draft*: Bracketed language in this section to be included for Tim Gallagher, John Gallagher and independent directors.

(11) *Note to Draft*: To be included for Gallagher family shareholders only.

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period described in Section 3(b) of this Agreement, Covenantor agrees not to make, or cause to be made, any statement or disclosure that disparages the Company or the Parent, or any of their respective Subsidiaries, or any person known by Covenantor to be a director, officer or employee of any of the foregoing, or assist any other person, business or entity to do so.

(d) Covenantor understands and agrees that money damages are an inadequate remedy for any breach or attempted or threatened breach of this Section 3 by Covenantor or its Affiliates and that Company and Parent and their respective Subsidiaries shall be entitled to equitable relief, including specific performance and injunctive relief as remedies for any such breach or threatened or attempted breach. Covenantor hereby consents to the granting of an injunction (temporary or otherwise) against Covenantor or to the entering of any other court order against Covenantor prohibiting and enjoining Covenantor or its Affiliates from violating, or directing Covenantor to comply with, any provision of this Section 3. Covenantor also agrees and understands that such remedies shall be in addition to any and all remedies, including damages, available to Company, Company Bank, Parent and/or any Subsidiaries or affiliates thereof against Covenantor or its Affiliates for such breaches or threatened or attempted breaches. If Covenantor or its Affiliates breaches any provision herein, and is not immediately or preliminarily enjoined from such breach, then, upon a court of competent jurisdiction finding such provision enforceable, the time periods relating to the restrictions above shall be tolled for the period of such breach and pendency of the lawsuit until all appeal periods initiated by Covenantor have expired.

4. *Entire Agreement; Modification.* This Agreement contains the entire agreement between Covenantor, Parent and the Company with respect to the subject matter hereof and it is the complete, final and exclusive embodiment of the agreement with regard to this subject matter hereof, *provided, however*, that this Agreement shall not supersede or otherwise effect any agreement or understanding between the Company or any of its Subsidiaries, or Parent or any of its Subsidiaries, on the one hand and Covenantor on the other hand that includes any confidentiality, restrictive covenant or other provisions concerning the subject matter hereof on the part of Covenantor. This Agreement is being entered into by Covenantor without reliance on any promise or representation other than those expressly contained herein, and this Agreement cannot be amended except in writing signed by all parties hereto.

In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be overly broad as to duration, geographical scope, activity or subject, this Agreement shall be construed by limiting and reducing such overly broad provision, so as to be enforceable to the extent compatible with the applicable Law as it shall then appear.

5. *Notices.* For the purposes of this Agreement, notices, demands, and all other communications shall be in writing and shall be deemed to have been duly given when delivered either personally or by United States certified or registered mail, return receipt requested, postage prepaid, and if to the Covenantor, delivered to the last address on file with the Company, and if to the Company, to its main offices located at [•], and if to Parent, to its main offices located at [•] or to such other address as any such party may have furnished to the others, in writing, in accordance herewith, except that notices of change of address shall be effective only upon receipt.

6. *Waiver.* If either party should waive any breach of any provisions of this Agreement, such party shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

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7. *Assignment.* This Agreement and any rights or obligations hereunder may be assigned by Parent to any Subsidiary of Parent or any successor in interest to Parent's or any of its Subsidiaries' businesses. This Agreement may not be assigned by Covenantor.

8. *Headings.* The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

9. *Governing Law.* This Agreement shall be governed by the laws of the State of Illinois without reference to the choice of law principles thereof. Any claim, lawsuit or dispute involving the interpretation or enforcement of this Agreement must be held in a court of competent jurisdiction located in Cook County, Illinois. Each of the parties hereto irrevocably consents to the exclusive jurisdiction of any state or federal court located in Cook County, Illinois, agrees that process may be served upon term in any manner authorized by the laws of such jurisdiction and waives and covenants not to assist or plead any objection which they might otherwise have to such jurisdiction and such process.

10. *Counterparts.* This Agreement may be executed in multiple counterparts, and may be delivered by means of facsimile or email (or any other electronic means such as ".pdf" or ".tiff" files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument.

11. [*Termination*. This Agreement shall terminate upon the death of Shirley J. Gallagher.](12)

* * *

(12) *Note to Draft*: To be included for Gallagher GS Trust only.

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IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date first set forth above.

[COMPANY]
By: _____

Name: _____

Title: _____

[PARENT]
By: _____

Name: _____

Title: _____

[COVENANTOR]
Name: _____

Number of Shares of
Company Voting
Common Stock: _____

Number of Shares of
Company Non-Voting
Common Stock: _____

[SIGNATURE PAGE TO CONFIDENTIALITY, NON-SOLICITATION
AND NON-COMPETITION AGREEMENT]

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Appendix F

Opinion of Sandler O'Neill & Partners, L.P.

June 28, 2016

Board of Directors
First Midwest Bancorp, Inc.
One Pierce Place, Suite 1500
Itasca, IL 60143

Ladies and Gentleman:

First Midwest Bancorp, Inc. ("Parent"), Standard Bancshares, Inc. (the "Company") and a newly formed corporation and wholly-owned subsidiary of Parent ("Merger Sub") are proposing to enter into an Agreement and Plan of Merger (the "Agreement") pursuant to which (i) Merger Sub will, subject to the terms and conditions set forth in the Agreement, merge with and into the Company with the Company being the surviving corporation (the "Merger"), and (ii) as soon as reasonably practicable thereafter, Parent intends to merge the Company with and into Parent with Parent being the surviving corporation (the "Parent Merger", and together with the Merger, the "Mergers"). Pursuant to the terms of the Agreement, upon the effective time of the Merger, each share of the Company voting and non-voting common stock, $0.01 par value per share, issued and outstanding immediately prior to the effective time of the Merger ("Company Common Stock"), except for certain shares of Company Common Stock as specified in the Agreement, shall be converted into, as provided in the Agreement, the right to receive 0.4350 of a share of Parent Common Stock, $0.01 par value per share, subject to adjustment as set forth in the Agreement (the "Per Common Share Consideration"). Capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement. The terms and conditions of the Mergers are more fully set forth in the Agreement. You have requested our opinion as to the fairness, from a financial point of view, of the Per Common Share Consideration to Parent.

Sandler O'Neill & Partners, L.P. ("Sandler O'Neill", "we" or "our"), as part of its investment banking business, is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. In connection with this opinion, we have reviewed and considered, among other things: (i) a draft of the Agreement, dated June 28, 2016; (ii) certain publicly available financial statements and other historical financial information of Parent that we deemed relevant; (iii) certain publicly available financial statements and other historical financial information of the Company that we deemed relevant; (iv) publicly available consensus mean and median analyst earnings per share estimates for Parent for the years ending December 31, 2016 and December 31, 2017; (v) internal financial projections for Parent for the year ending December 31, 2016 through December 31, 2020, as provided by the senior management of Parent; (vi) internal financial projections for the Company for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of Parent; (vii) the pro forma financial impact of the Mergers on Parent based on assumptions relating to transaction expenses, purchase accounting adjustments, the cost of cancelling the outstanding Company Stock Options, Company Phantom Stock and Company Stock Settled Rights, cost savings, the reversal of certain consolidated loan loss provision expense of the Company, a core deposit intangible asset, the possible debt refinancing by Parent and the closure of certain branch offices following the closing of the Mergers, as provided by and confirmed with the senior management of Parent; (viii) the publicly reported historical price and trading activity for Parent common stock, including a comparison of certain stock market information for Parent common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded; (ix) a comparison of certain financial information for Parent and the Company with similar commercial banks for which publicly available information is available; (x) the financial terms of certain recent

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mergers and business combinations in the commercial banking industry on a national and regional basis, to the extent publicly available; (xi) the current market environment generally and in the commercial banking environment in particular; and (xii) such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant. We also discussed with certain members of the senior management of Parent the business, financial condition, results of operations and prospects of Parent and held similar discussions with certain members of the senior management of the Company regarding the business, financial condition, results of operations and prospects of the Company.

In performing our review, we have relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by us from pubic sources, that was provided to us by Parent or the Company, or their respective representatives, or that was otherwise reviewed by us and we have assumed such accuracy and completeness for purposes of rendering this opinion without any independent verification or investigation. We have further relied on the assurances of the respective managements of Parent and the Company that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. We have not been asked to and have not undertaken an independent verification of any of such information and we do not assume any responsibility or liability for the accuracy or completeness thereof. We did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Parent or the Company, or any of their respective subsidiaries, nor have we been furnished with any such evaluations or appraisals. We render no opinion or evaluation on the collectability of any assets or the future performance of any loans of Parent or the Company, or any of their respective subsidiaries. We did not make an independent evaluation of the adequacy of the consolidated allowance for loan losses of Parent or the Company, or the combined entity after the Mergers, and we have not reviewed any individual credit files relating to Parent or the Company, or any of their respective subsidiaries. We have assumed, with your consent, that the respective consolidated allowances for loan losses for both Parent and the Company are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used financial projections for Parent for the year ending December 31, 2016 through December 31, 2020, as provided by the senior management of Parent. In addition, in preparing its analyses Sandler O'Neill used internal financial projections for the Company for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of Parent. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, the cost of cancelling outstanding Company Stock Options, Company Phantom Stock and Company Stock Settled Rights, cost savings, the reversal of certain consolidated loan loss provision expense of the Company, a core deposit intangible asset, the possible debt refinancing by Parent and the closure of certain branch offices following the closing of the Mergers, as provided by and confirmed with the senior management of Parent. With respect to the foregoing information, the respective managements of Parent and the Company confirmed to us that such information reflected (or, in the case of the publicly available mean analyst earnings per share estimates referred to above, were consistent with) the best currently available projections, estimates and judgments of those respective senior managements of the future financial performance of Parent and the Company and we assumed that such performance would be achieved. We express no opinion as to such projections, estimates or judgments, or the assumptions on which they are based. We have also assumed that there has been no material change in Parent's or the Company's consolidated assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that Parent and the Company will remain as going concerns for all periods relevant to our analyses.

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In arriving at our opinion, we have assumed that the executed Agreement will be in all material respects identical to the last draft reviewed by us. We have also assumed, with your consent, that (i) each of the parties to the Agreement will comply with all the material terms and conditions of the Agreement and all related agreements, that all of the representations and warranties contained in such agreements are, subject to the standards contained therein, true and correct, that each of the parties to such agreements will timely perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements are not and will not be waived, in each case to the extent such is material to our analyses and this opinion, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the Mergers, no delay, limitation, restriction or condition will be imposed that would, individually or in the aggregate, have a material adverse effect on the Company, Parent or the contemplated benefits of the Mergers or any related transaction, (iii) the Mergers and any related transactions will be consummated in accordance with the terms of the Agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the Mergers will qualify as a reorganization for federal income tax purposes. Finally, with your consent, we have relied upon the advice that Parent has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Mergers and the other transactions contemplated by the Agreement.

Our analyses and opinion are necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect this opinion. We have not undertaken to update, revise, reaffirm or withdraw this opinion or otherwise comment upon events occurring after the date hereof. We express no opinion as to the trading values of Company Common Stock or Parent common stock at any time or what the value of Parent common stock will be once it is actually received by the holders of Company Common Stock

We have acted as Parent's financial advisor in connection with the Mergers and will receive a fee for our services, which fee is contingent upon consummation of the Mergers. We will also receive a fee for rendering this opinion, which opinion fee will be credited in full towards the transaction fee becoming payable to us upon closing of the Mergers. Parent has also agreed to indemnify us against certain claims and liabilities arising out of our engagement and to reimburse us for certain of our out-of-pocket expenses incurred in connection with our engagement. In the two years preceding the date of this opinion, we have provided certain other investment banking services to Parent and received fees for such services. In addition, as we have previously advised you, we have provided certain investment banking services to the Company in the two years preceding the date of this opinion and received compensation for such services. In the ordinary course of our business as a broker-dealer, we may purchase securities from and sell securities to Parent, the Company and their respective affiliates. We may also actively trade the equity and debt securities of Parent or its affiliates for our own account and for the accounts of our customers.

Our opinion is directed to the Board of Directors of Parent in connection with its consideration of the Agreement and Mergers and does not constitute a recommendation to any shareholder of Parent as to how any such shareholder should vote at any meeting of shareholders called to consider and vote upon the Mergers or the Parent Common Stock Issuance. Our opinion is directed only to the fairness, from a financial point of view, of the Per Common Share Consideration to Parent and does not address the underlying business decision of Parent to engage in the Mergers, the form or structure of the Mergers or any other transactions contemplated in the Agreement, the relative merits of the Mergers as compared to any other alternative transactions or business strategies that might exist for Parent, or the effect of any other transaction in which Parent might engage or any other terms contemplated by the Agreement. We also do not express any opinion as to the amount or nature of the compensation to

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be received in the Mergers, or any other transactions contemplated by the Agreement, by any Parent or Company officer, director or employee, or any class of such persons, if any, relative to the amount of compensation to be received by any other shareholder. This opinion has been approved by Sandler O'Neill's fairness opinion committee. This opinion shall not be reproduced without Sandler O'Neill's prior written consent, *provided,* however, Sandler O'Neill will provide its consent for this opinion to be included in regulatory filings to be completed in connection with the Mergers.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Per Common Share Consideration is fair to Parent from a financial point of view.

Very truly yours,

/s/ Sandler O'Neill & Partners L.P.
SANDLER O'NEILL & PARTNERS L.P.

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Appendix G

Opinion of J.P. Morgan Securities LLC

June 27, 2016

The Board of Directors
Standard Bancshares, Inc.
7800 West 95th Street
Hickory Hills, IL 60457

Members of the Board of Directors:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of common stock, par value $0.01 per share, and non-voting common stock, par value $0.01 per share (collectively, the "Company Common Stock"), of Standard Bancshares, Inc. (the "Company") of the Exchange Ratio (as defined below) in the proposed merger (the "Transaction") of the Company with a wholly-owned subsidiary of First Midwest Bancorp, Inc. (the "Acquiror"). Pursuant to the Agreement and Plan of Merger (the "Agreement"), among the Company, the Acquiror and its subsidiary, Benjamin Acquisition Corporation, the Company will become a wholly-owned subsidiary of the Acquiror, and each outstanding share of Company Common Stock, other than shares of Company Common Stock held in treasury or owned by the Acquiror and its affiliates (other than shares held in a trust, fiduciary or nominee capacity or as a result of debts previously contracted) and Dissenting Shares (as defined in the Agreement), will be converted into the right to receive 0.4350 shares (the "Exchange Ratio") of the Acquiror's common stock, par value $0.01 per share (the "Acquiror Common Stock"). We also understand that the Exchange Ratio will be subject to adjustment as provided in the Agreement based on the amount of certain expenses as set forth in the Agreement (the "Expense Adjustment").

In connection with preparing our opinion, we have (i) reviewed a draft dated June 24, 2016 of the Agreement; (ii) reviewed certain publicly available business and financial information concerning the Company and the Acquiror and the industries in which they operate; (iii) compared the proposed financial terms of the Transaction with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration paid for such companies; (iv) compared the financial and operating performance of the Company and the Acquiror with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the Acquiror Common Stock and certain publicly traded securities of such other companies; (v) reviewed certain internal financial analyses and forecasts prepared by or at the direction of each of the managements of (a) the Company and (b) the Acquiror, as adjusted by the management of the Company, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the Transaction (the "Synergies"); and (vi) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of the Company and the Acquiror with respect to certain aspects of the Transaction, and the past and current business operations of the Company and the Acquiror, the financial condition and future prospects and operations of the Company and the Acquiror, the effects of the Transaction on the financial condition and future prospects of the Company and the Acquiror, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Company and the Acquiror or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Company, we did not assume any obligation to undertake any such independent verification. We have not

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conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we conducted any review of individual credit files of the Company or the Acquiror or evaluated the solvency of the Company or the Acquiror under any state or federal laws relating to bankruptcy, insolvency or similar matters. We are not experts in the evaluation of loan and lease portfolios or assessing the adequacy of the allowances for losses with respect thereto and, accordingly, we did not make an independent evaluation of the adequacy of the allowance for loan and lease losses of the Company or the Acquiror and we have assumed, with your consent, that the respective allowances for loan and lease losses for both the Company and the Acquiror, respectively, are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. In relying on financial analyses and forecasts provided to us or derived therefrom, including the Synergies, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Company and the Acquiror to which such analyses or forecasts relate. We express no view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. We have also assumed that the Transaction and the other transactions contemplated by the Agreement will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the Agreement, and that the definitive Agreement will not differ in any material respects from the draft thereof furnished to us. We have also assumed that the representations and warranties made by the Company and the Acquiror in the Agreement and the related agreements are and will be true and correct in all respects material to our analysis, and that the Expense Adjustment will not result in any adjustment to the Exchange Ratio that is material to our analysis. We are not legal, regulatory or tax experts and have relied on the assessments made by advisors to the Company with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or the Acquiror or on the contemplated benefits of the Transaction.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. Our opinion is limited to the fairness, from a financial point of view, to the holders of the Company Common Stock of the Exchange Ratio in the proposed Transaction and we express no opinion as to the fairness of any consideration to be paid in connection with the Transaction to the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Exchange Ratio applicable to the holders of the Company Common Stock in the Transaction or with respect to the fairness of any such compensation. We are expressing no opinion herein as to the price at which the Acquiror Common Stock will trade at any future time.

We have acted as financial advisor to the Company with respect to the proposed Transaction and will receive a fee from the Company for our services, a substantial portion of which will become payable only if the proposed Transaction is consummated. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. Please be advised that during the two years preceding the date of this letter, neither we nor our affiliates have had any other material financial advisory or other material commercial or investment banking relationships with the Company or the Acquiror. In addition, we and our affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of each of the Company and the Acquiror. In the ordinary course of our businesses, we and our affiliates may actively trade the debt and equity securities of the Acquiror for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities.

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On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Exchange Ratio in the proposed Transaction is fair, from a financial point of view, to the holders of the Company Common Stock.

The issuance of this opinion has been approved by a fairness opinion committee of J.P. Morgan Securities LLC. This letter is provided to the Board of Directors of the Company (in its capacity as such) in connection with and for the purposes of its evaluation of the Transaction. This opinion does not constitute a recommendation to any shareholder of the Company as to how such shareholder should vote with respect to the Transaction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval. This opinion may be reproduced in full in any proxy or information statement mailed to shareholders of the Company but may not otherwise be disclosed publicly in any manner without our prior written approval.

Very truly yours,

/s/ J.P. Morgan Securities LLC
J.P. MORGAN SECURITIES LLC

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Appendix H

Sections 11.65 and 11.70 of the Illinois Business Corporation Act

§ 11.65. Right to Dissent.

(a)

A shareholder of a corporation is entitled to dissent from, and obtain payment for his or her shares in the event of any of the following corporate actions:

(1)

consummation of a plan of merger or consolidation or a plan of share exchange to which the corporation is a party if (i) shareholder authorization is required for the merger or consolidation or the share exchange by Section 11.20 or the articles of incorporation or (ii) the corporation is a subsidiary that is merged with its parent or another subsidiary under Section 11.30;

(2)

consummation of a sale, lease or exchange of all, or substantially all, of the property and assets of the corporation other than in the usual and regular course of business;

(3)

an amendment of the articles of incorporation that materially and adversely affects rights in respect of a dissenter's shares because it:

(i)

alters or abolishes a preferential right of such shares;

(ii)

alters or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase, of such shares;

(iii)

in the case of a corporation incorporated prior to January 1, 1982, limits or eliminates cumulative voting rights with respect to such shares; or

(4)

any other corporate action taken pursuant to a shareholder vote if the articles of incorporation, by-laws, or a resolution of the board of directors provide that shareholders are entitled to dissent and obtain payment for their shares in accordance with the procedures set forth in Section 11.70 or as may be otherwise provided in the articles, by-laws or resolution.

(b)

A shareholder entitled to dissent and obtain payment for his or her shares under this Section may not challenge the corporate action creating his or her entitlement unless the action is fraudulent with respect to the shareholder or the corporation or constitutes a breach of a fiduciary duty owed to the shareholder.

(c)

A record owner of shares may assert dissenters' rights as to fewer than all the shares recorded in such person's name only if such person dissents with respect to all shares beneficially owned by any one person and notifies the corporation in writing of the name and address of each person on whose behalf the record owner asserts dissenters' rights. The rights of a partial dissenter are determined as if the shares as to which dissent is made and the other shares were recorded in the names of different shareholders. A beneficial owner of shares who is not the record owner may assert dissenters' rights as to shares held on such person's behalf only if the beneficial owner submits to the corporation the record owner's written consent to the dissent before or at the same time the beneficial owner asserts dissenters' rights.

§ 11.70. Procedure to Dissent.

(a)

If the corporate action giving rise to the right to dissent is to be approved at a meeting of shareholders, the notice of meeting shall inform the shareholders of their right to dissent and the procedure to dissent. If, prior to the meeting, the corporation furnishes to the shareholders material information with respect to the transaction that will objectively enable a shareholder to vote on the transaction and to determine whether or not to exercise dissenters' rights, a shareholder may assert dissenters' rights only if the shareholder delivers to the corporation before

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the vote is taken a written demand for payment for his or her shares if the proposed action is consummated, and the shareholder does not vote in favor of the proposed action.

(b)

If the corporate action giving rise to the right to dissent is not to be approved at a meeting of shareholders, the notice to shareholders describing the action taken under Section 11.30 or Section 7.10 shall inform the shareholders of their right to dissent and the procedure to dissent. If, prior to or concurrently with the notice, the corporation furnishes to the shareholders material information with respect to the transaction that will objectively enable a shareholder to determine whether or not to exercise dissenters' rights, a shareholder may assert dissenter's rights only if he or she delivers to the corporation within 30 days from the date of mailing the notice a written demand for payment for his or her shares.

(c)

Within 10 days after the date on which the corporate action giving rise to the right to dissent is effective or 30 days after the shareholder delivers to the corporation the written demand for payment, whichever is later, the corporation shall send each shareholder who has delivered a written demand for payment a statement setting forth the opinion of the corporation as to the estimated fair value of the shares, the corporation's latest balance sheet as of the end of a fiscal year ending not earlier than 16 months before the delivery of the statement, together with the statement of income for that year and the latest available interim financial statements, and either a commitment to pay for the shares of the dissenting shareholder at the estimated fair value thereof upon transmittal to the corporation of the certificate or certificates, or other evidence of ownership, with respect to the shares, or instructions to the dissenting shareholder to sell his or her shares within 10 days after delivery of the corporation's statement to the shareholder. The corporation may instruct the shareholder to sell only if there is a public market for the shares at which the shares may be readily sold. If the shareholder does not sell within that 10 day period after being so instructed by the corporation, for purposes of this Section the shareholder shall be deemed to have sold his or her shares at the average closing price of the shares, if listed on a national exchange, or the average of the bid and asked price with respect to the shares quoted by a principal market maker, if not listed on a national exchange, during that 10 day period.

(d)

A shareholder who makes written demand for payment under this Section retains all other rights of a shareholder until those rights are cancelled or modified by the consummation of the proposed corporate action. Upon consummation of that action, the corporation shall pay to each dissenter who transmits to the corporation the certificate or other evidence of ownership of the shares the amount the corporation estimates to be the fair value of the shares, plus accrued interest, accompanied by a written explanation of how the interest was calculated.

(e)

If the shareholder does not agree with the opinion of the corporation as to the estimated fair value of the shares or the amount of interest due, the shareholder, within 30 days from the delivery of the corporation's statement of value, shall notify the corporation in writing of the shareholder's estimated fair value and amount of interest due and demand payment for the difference between the shareholder's estimate of fair value and interest due and the amount of the payment by the corporation or the proceeds of sale by the shareholder, whichever is applicable because of the procedure for which the corporation opted pursuant to subsection (c).

(f)

If, within 60 days from delivery to the corporation of the shareholder notification of estimate of fair value of the shares and interest due, the corporation and the dissenting shareholder have not agreed in writing upon the fair value of the shares and interest due, the corporation shall either pay the difference in value demanded by the shareholder, with interest, or file a petition in the circuit court of the county in which either the registered office or the principal office of the corporation is located, requesting the court to determine the fair value of the shares and interest due. The corporation shall make all dissenters, whether or not residents of this State, whose demands remain unsettled parties to the proceeding as an action against their shares and all

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parties shall be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law. Failure of the corporation to commence an action pursuant to this Section shall not limit or affect the right of the dissenting shareholders to otherwise commence an action as permitted by law.

(g)

The jurisdiction of the court in which the proceeding is commenced under subsection (f) by a corporation is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the power described in the order appointing them, or in any amendment to it.

(h)

Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds that the fair value of his or her shares, plus interest, exceeds the amount paid by the corporation or the proceeds of sale by the shareholder, whichever amount is applicable.

(i)

The court, in a proceeding commenced under subsection (f), shall determine all costs of the proceeding, including the reasonable compensation and expenses of the appraisers, if any, appointed by the court under subsection (g), but shall exclude the fees and expenses of counsel and experts for the respective parties. If the fair value of the shares as determined by the court materially exceeds the amount which the corporation estimated to be the fair value of the shares or if no estimate was made in accordance with subsection (c), then all or any part of the costs may be assessed against the corporation. If the amount which any dissenter estimated to be the fair value of the shares materially exceeds the fair value of the shares as determined by the court, then all or any part of the costs may be assessed against that dissenter. The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable, as follows:

(1)

Against the corporation and in favor of any or all dissenters if the court finds that the corporation did not substantially comply with the requirements of subsections (a), (b), (c), (d), or (f).

(2)

Against either the corporation or a dissenter and in favor of any other party if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this Section.

If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated and that the fees for those services should not be assessed against the corporation, the court may award to that counsel reasonable fees to be paid out of the amounts awarded to the dissenters who are benefited. Except as otherwise provided in this Section, the practice, procedure, judgment and costs shall be governed by the Code of Civil Procedure.

(j)

As used in this Section:

(1)

"Fair value", with respect to a dissenter's shares, means the proportionate interest of the shareholder in the corporation, without discount for minority status or, absent extraordinary circumstance, lack of marketability, immediately before the consummation of the corporate action to which the dissenter objects excluding any appreciation or depreciation in anticipation of the corporate action, unless exclusion would be inequitable.

(2)

"Interest" means interest from the effective date of the corporate action until the date of payment, at the average rate currently paid by the corporation on its principal bank loans or, if none, at a rate that is fair and equitable under all the circumstances.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

First Midwest Bancorp, Inc. ("First Midwest") is incorporated under the laws of the State of Delaware. Section 145 ("Section 145") of the General Corporation Law of the State of Delaware (the "DGCL") provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believes to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was illegal. Similar provisions apply to actions brought by or in the right of the corporation, except that no indemnification shall be made without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Article Sixth of First Midwest's Restated Certificate of Incorporation provides that, to the fullest extent permitted by the DGCL, no director of First Midwest shall be liable to First Midwest or its stockholders for monetary damages arising from a breach of a fiduciary duty owed to First Midwest or its stockholders.

Article 6 of First Midwest's Amended and Restated By-laws provides that, to the extent permitted by the DGCL, First Midwest shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer, employee or agent of First Midwest or is or was serving at the request of the corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of First Midwest, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of First Midwest, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to First Midwest unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. To the extent that a director, officer, employee or agent of First Midwest has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any

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indemnification (unless ordered by a court) shall be made by First Midwest only upon a determination in the specific case that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth above. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, (2) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, (3) if such quorum is not obtainable, or, even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel (compensated by the corporation) in a written opinion, or (4) by the stockholders.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145. Each of the directors and officers of First Midwest are covered by insurance policies maintained and held in effect by First Midwest against certain liabilities for actions taken in such capacities, including liabilities under the Securities Act of 1933, as amended.

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Item 21. Exhibits and Financial Statement Schedules

EXHIBIT INDEX

Exhibit	Description
2.1	Agreement and Plan of Merger, dated as of June 28, 2016 between First Midwest Bancorp, Inc., Standard Bancshares, Inc. and Benjamin Acquisition Corporation (included as Appendix A to the joint proxy statement/prospectus contained in this registration statement).
3.1	First Midwest Bancorp, Inc.'s Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to First Midwest Bancorp, Inc.'s Annual Report on Form 10-K filed on February 27, 2009).
3.2	Certificate of Amendment to First Midwest Bancorp, Inc.'s Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to First Midwest Bancorp, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2014).
3.3	First Midwest Bancorp, Inc.'s Amended and Restated By-laws (incorporated by reference to Exhibit 3.1 to First Midwest Bancorp, Inc.'s Current Report on Form 8-K filed on May 24, 2016).
4.1	Form of First Midwest Bancorp, Inc.'s Common Stock Certificate (incorporated by reference to Exhibit 4.1 to First Midwest Bancorp, Inc.'s Registration Statement on Form S-4 filed on December 29, 2015).
5.1	Opinion of Nicholas J. Chulos as to the validity of the securities being registered.
8.1	Opinion of Sullivan & Cromwell LLP regarding the federal income tax consequences of the mergers.
8.2	Opinion of Kirkland & Ellis LLP regarding the federal income tax consequences of the mergers.
15.1	Acknowledgement of Ernst & Young LLP.
15.2	Acknowledgement of RSM US, LLP.
21.1	Subsidiaries of First Midwest Bancorp, Inc. (incorporated by reference to Exhibit 21 to First Midwest Bancorp, Inc.'s Annual Report on Form 10-K filed on February 23, 2016).
23.1	Consent of Nicholas J. Chulos (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
23.3	Consent of RSM US, LLP.
23.4	Consent of Sullivan & Cromwell LLP (included in Exhibit 8.1).
23.5	Consent of Kirkland & Ellis LLP (included in Exhibit 8.2).
24.1	Power of Attorney.
99.1	Consent of Sandler O'Neill & Partners, L.P.
99.2	Consent of J.P. Morgan Securities LLC.
99.3	Form of Proxy to be used by First Midwest Bancorp, Inc.*
99.4	Form of Proxy to be used by Standard Bancshares, Inc.*

*

To be filed by amendment.

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Certain schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K and First Midwest agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule upon request.

Item 22. Undertakings

The undersigned registrant hereby undertakes:

(a) To file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement:

(1) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(2) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) that, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(3) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(d) For purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(e) That prior to any public reoffering of the securities registered hereunder through use of a prospectus that is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(f) That every prospectus (1) that is filed pursuant to paragraph (e) immediately preceding, or (2) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered

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therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(g) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 20 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(h) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(i) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Itasca, State of Illinois, on September 8, 2016.

FIRST MIDWEST BANCORP, INC.

By: /s/ MICHAEL L. SCUDDER

Michael L. Scudder

President, Chief Executive Officer, and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-4 has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE	CAPACITY
/s/ ROBERT P. O'MEARA* Robert P. O'Meara	Chairman of the Board
/s/ MICHAEL L. SCUDDER Michael L. Scudder	President, Chief Executive Officer, and Director
/s/ PAUL F. CLEMENS Paul F. Clemens	Executive Vice President, Chief Financial Officer and Principal Accounting Officer
/s/ BARBARA A. BOIGEGRAIN* Barbara A. Boigegrain	Director
/s/ JOHN F. CHLEBOWSKI, JR.* John F. Chlebowski, Jr.	Director
/s/ BR. JAMES GAFFNEY, FSC* Br. James Gaffney, FSC	Director
/s/ PHUPINDER S. GILL* Phupinder S. Gill	Director
/s/ KATHRYN J. HAYLEY* Kathryn J. Hayley	Director

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SIGNATURE	CAPACITY
/s/ PETER J. HENSELER* Peter J. Henseler	Director
/s/ PATRICK J. MCDONNELL* Patrick J. McDonnell	Director
/s/ FRANK B. MODRUSON* Frank B. Modruson	Director
/s/ ELLEN A. RUDNICK* Ellen A. Rudnick	Director
/s/ MARK G. SANDER Mark G. Sander	Director
/s/ MICHAEL J. SMALL* Michael J. Small	Director
/s/ J. STEPHEN VANDERWOUDE* J. Stephen Vanderwoude	Director
*By /s/ NICHOLAS J. CHULOS Nicholas J. Chulos, *Attorney-in-Fact*	Executive Vice President, Corporate Secretary and General Counsel

Date: September 8, 2016

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3.1	First Midwest Bancorp, Inc.'s Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to First Midwest Bancorp, Inc.'s Annual Report on Form 10-K filed on February 27, 2009).
3.2	Certificate of Amendment to First Midwest Bancorp, Inc.'s Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to First Midwest Bancorp, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2014).
3.3	First Midwest Bancorp, Inc.'s Amended and Restated By-laws (incorporated by reference to Exhibit 3.1 to First Midwest Bancorp, Inc.'s Current Report on Form 8-K filed on May 24, 2016).
4.1	Form of First Midwest Bancorp, Inc.'s Common Stock Certificate (incorporated by reference to Exhibit 4.1 to First Midwest Bancorp, Inc.'s Registration Statement on Form S-4 filed on December 29, 2015).
5.1	Opinion of Nicholas J. Chulos as to the validity of the securities being registered.
8.1	Opinion of Sullivan & Cromwell LLP regarding the federal income tax consequences of the mergers.
8.2	Opinion of Kirkland & Ellis LLP regarding the federal income tax consequences of the mergers.
15.1	Acknowledgement of Ernst & Young LLP.
15.2	Acknowledgement of RSM US, LLP.
21.1	Subsidiaries of First Midwest Bancorp, Inc. (incorporated by reference to Exhibit 21 to First Midwest Bancorp, Inc.'s Annual Report on Form 10-K filed on February 23, 2016).
23.1	Consent of Nicholas J. Chulos (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
23.3	Consent of RSM US, LLP.
23.4	Consent of Sullivan & Cromwell LLP (included in Exhibit 8.1).
23.5	Consent of Kirkland & Ellis LLP (included in Exhibit 8.2).
24.1	Power of Attorney.
99.1	Consent of Sandler O'Neill & Partners, L.P.
99.2	Consent of J.P. Morgan Securities LLC.
99.3	Form of Proxy to be used by First Midwest Bancorp, Inc.*
99.4	Form of Proxy to be used by Standard Bancshares, Inc.*

*

To be filed by amendment.

Certain schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K and First Midwest agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule upon request.