

CODE OF BUSINESS CONDUCT AND ETHICS
OF
MIDLAND STATES BANCORP, INC.

I. General Policy Statement

Midland States Bancorp, Inc. has established this Code of Business Conduct and Ethics (the “Code”) to provide all employees, officers and directors of the Company and its subsidiaries with general guidance in fulfilling their ethical responsibilities to the Company. The two main principles that are expressed throughout this Code, and that are the major tenets of all ethical conduct for employees, officers and directors of the Company are:

- respect for and compliance with the laws, rules and regulations of the United States and the states, counties, cities and other jurisdictions in which the Company conducts its business as well as all other laws, rules and regulations that are applicable to the Company; and
- loyalty to the interests of the Company’s shareholders.

These principles require that employees, officers and directors of the Company act in a manner that will ensure:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- avoidance of conflicts of interest, including disclosure to an appropriate person or person identified in this Code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company, as well as in any supporting documents from which information in such reports, documents or other communications is derived;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of this Code to an appropriate person or persons; and
- accountability for adherence to this Code.

This Code does not summarize or address all ethical questions or specific situations that might arise. Rather, it is designed to provide employees, officers and directors with general guidance on their ethical obligations in the performance of their duties to the Company. Employees, officers and directors should consult with the Director of Human Resources for more information on issues not addressed in this Code. Please note that all references to the

“Company” include Midland States Bancorp, Inc., Midland States Bank and any other entities owned or controlled by Midland States Bancorp, Inc.

II. Real and Apparent Conflicts of Interest

All employees, officers and directors of the Company should be scrupulous in avoiding a conflict of interest with regard to the Company’s interests and maintain their independent judgment in the conduct of the Company’s business. A “conflict of interest” exists whenever an individual’s private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her duties objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to, or guarantees of obligations of, employees, officers and directors and their respective family members and companies or other organizations in which they have an interest, either financial or otherwise, may create conflicts of interest, unless, however, such arrangements are made in compliance with the rules and regulations of the relevant banking regulatory agencies covering insider loans.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Audit Committee of the board of directors. Employees, officers and directors who become aware of a conflict or the appearance of a conflict should immediately present the situation to his or her immediate supervisor or to the Director of Human Resources or the chairman of the Audit Committee, as the situation merits.

Some examples of a potential conflict of interest include:

- owning a material financial interest in a competitor of the Company or an entity that does business or seeks to do business with the Company;
- being employed by, performing services for, serving as an officer of, or serving on the board of directors of any such entity;
- making an investment that could compromise one’s ability to perform his or her duties to the Company; or
- having an immediate family member who engages in any of the activities identified above.

Employees, officers and directors should not seek or accept for their own benefit, or for the benefit of any immediate family member, any favors, preferential treatment, special benefits, special documents, gifts or other consideration as a result of their association with the Company or any company that does business with the Company, except those usual and normal benefits directly provided by the Company or any such entities. The foregoing, however, does not prohibit the receipt of gifts which are of a type that is usual and customary for the relationship, do not create a sense of obligation and are of an inconsequential value in comparison to the

nature and magnitude of the business relationship. Nor does it prohibit gifts offered and accepted based on a family or personal relationship independent of any business activity of the Company, benefits available to the general public under the same conditions or gifts that would be paid for by the Company as a reasonable business expense if another party did not pay. Employees, officers and directors must report when they receive anything of value for their benefit that is reasonably beyond that permitted by this Policy, and should return any gifts that create a sense of obligation to the sender.

III. Corporate Opportunities

Employees, officers and directors are prohibited from:

- taking for themselves, personally, opportunities that properly belong to the Company or that are discovered through the use of corporate property, information or position;
- using corporate property, information or position for personal gain; or
- competing with the Company.

A corporate opportunity belongs to the Company if the opportunity is within the corporate powers of the Company and the opportunity is of present or potential practical advantage to the Company. The Company may reject a corporate opportunity only if, after receiving a full and fair presentation of the matter, a disinterested and independent majority of the board rejects the opportunity as a matter of sound business judgment.

IV. Confidentiality

Employees, officers and directors of the Company must not disclose any confidential information entrusted to them by the Company, a customer of the Company or any other party that the Company does business with, to any third party, except when disclosure is authorized by the President and Chief Executive Officer or required by laws, regulations or legal proceedings. Such information includes, among other things, customer information, employee (personnel) information, information relating to proposed, ongoing or completed transactions of the Company, trade secrets, confidential financial information of the Company and business plans. Whenever feasible, employees, officers and directors should consult with the Company's Corporate Counsel if they believe they have a legal obligation to disclose confidential information. Confidential information includes all nonpublic information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed.

V. Customer Referrals

Bank employees may be requested by bank customers and the general public to provide a referral to professional services, such as attorneys, certified public accountants, insurance agents, and real estate agents. Employees shall, when approved by management, recommend several qualified sources from which the customer can select. Bank employees should not make any adverse or negative comments regarding any outside professional. If an employee cannot provide a positive recommendation regarding the

outside particular professional, the employee should indicate to the customer that the employee has no recommendation to give regarding the particular professional. If an employee makes a positive referral, it should be limited to a statement such as; they have heard good comments/feedback regarding the professional, but cannot make any statement that could subject either the employee or the bank, or both, to an action for libel or slander.

Employees are not qualified to provide legal advice. This is an area that should be reserved for the professionals in that particular field. Extreme care must be exercised in discussions with customers, and nothing should be said that could be construed as the giving of legal advice.

VI. Employee Indebtedness

Borrowing by an employee from an individual or business customer of the bank is highly discouraged (unless the customer is a recognized lending institution). The approval or denial of such request imposes a wrongful burden on the customer and can impair the judgment of the employee when making business decisions involving the customer.

VII. Fiduciary Appointment

Without specific approval, employees are not to act as a agent or deputy in any signing capacity on any account (except for members of their families) held in the bank. Further, employees may not act as executor, administrator, trustee, guardian, or in any fiduciary capacity without authority granted by the bank. Normally, this approval will be granted only to act for spouse, parent, sibling, child, or other dependent. Except where the request is for a member of the immediate family, all employees must obtain prior approval of the bank's Board of Directors before acceptance of appointment of fiduciary or co-fiduciary (personal representative, trustee, administrator, guardian, executor, or custodian) with the bank, another person, or a firm or corporation.

VIII. Outside Employment

The bank does not wish to control the personal affairs of employees, nor will it attempt to regulate the use of their time outside their employment. However, the bank does not look with favor upon a full time employee working elsewhere if such outside employment in any way affects the individual's work, fellow employees, or the bank. Of particular concern and requiring the President's approval are jobs working for a competitor, supplier or customer. Engaging in self employment that in any way competes with the bank is prohibited.

Working second jobs may cause a conflict of interest with your job. Whenever this outside employment causes a conflict of interest in schedules, the bank will not permit such outside employment. Before accepting outside employment, notify Human Resources in order to ensure you are not in a conflicting arrangement.

IX. Personal Finances

Because of our position of trust in the community, personal finances should be managed with prudence. Personal financial affairs should be conducted in such a manner as to avoid regulatory or auditing criticisms or concerns. Employees should discuss any financial emergency with Human Resources. All employees should assume the position of a regular customer when handling their personal bank business. All transactions should be handled in the normal over the counter procedure. No employee will be permitted to transact their own or a relative's bank business. Avoid direct or indirect financial interest with the competitors, customers, and suppliers.

X. Insider Trading

Securities laws and regulations prohibit the misuse of material nonpublic information when purchasing, selling or recommending securities. Employees, officers and directors must comply with the practices and procedures set forth in the Company's insider trading policy, a copy of which has been distributed to all employees, officers and directors. Please contact the Director of Human Resources if you would like an additional copy of the policy.

XI. Insider Loans and Other Transactions

All loans to, and guarantees of obligations of, employees, officers and directors, or members of their respective families or companies or other organizations in which they have an interest, by the Company will be made in compliance with the rules and regulations of the relevant banking regulatory agencies covering such loans, the Securities and Exchange Commission, the Nasdaq Stock Market (or any other exchange or national market on which the Company's common stock is quoted or listed for trading) and any other body with regulatory authority over the Company. Additionally, any loan or other transaction in which an "insider" (an executive officer, director, principal shareholder, or any of their related interests) is involved: (i) will be scrutinized by the Company's board of directors or a designated committee thereof; (ii) should not be preferential, especially with respect to interest rate and collateral terms; and (iii) should not involve more than a normal risk of repayment.

The Company will also comply with Sections 23A and 23B of the Federal Reserve Act and Regulation W regarding affiliate transactions. These provisions impose individual and aggregate percentage of capital ceilings on the dollar amount of affiliate transactions, establish rules for ensuring arms-length dealings, preclude acquisitions of low-quality assets from affiliates, impose detailed collateralization requirements for affiliate credit transactions and prohibit certain types of activities.

XII. Fair Dealing

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. Employees, officers and directors should not take unfair advantage of any other party through fraud, manipulation, concealment, abuse of privileged information, misrepresentation or omission of material facts or any other unfair practices.

XIII. Protection And Proper Use Of Company Assets

All employees, officers and directors should protect and safeguard from harm the Company's assets. Theft, misappropriation or destruction of the Company's assets are in direct violation of the Company's obligations to the Company's shareholders. Employees, officers and directors of the Company should only use the Company's assets for legitimate business purposes.

XIV. Financial Reporting and Compliance with Controls

Employees, officers and directors must comply with all financial reporting and other regulatory requirements applicable to the Company. All business transactions must be reported and disclosed in a manner consistent with generally accepted accounting principles of the United States. All employees, officers and directors must cooperate with and assist the Company's internal and independent auditors in the performance of their duties to the Company and must comply with all internal control procedures established by the Company for the safeguarding of assets and proper reporting and full and fair disclosure of financial information.

It is of critical importance that the Company comply with all of its regulatory disclosure obligations. Filings by the Company with the Securities and Exchange Commission and other regulatory bodies must be accurate and timely. Depending on his or her position with the Company, an employee, officer or director may be called upon to provide necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

XV. Reporting Accounting Errors or Improprieties

Employees, officers and directors must comply with all applicable financial reporting and accounting regulations applicable to the Company. If any employee, officer or director of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, including a failure to comply with internal controls of the Company or to cooperate with the Company's internal or independent auditors, then he or she should submit those concerns or complaints to the Audit Committee of the board of director or to the Company's Corporate Counsel. See Appendix A for the reporting of any accounting or auditing concerns or complaints.

XVI. Reporting Illegal or Unethical Behavior

Employees, officers and directors are expected to comply with all applicable laws, rules and regulations in every regard. Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and about the appropriate ethical conduct in a particular situation. Employees, officers and directors who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of the Company have occurred or may occur should contact their supervisor or superiors. If they do not believe it appropriate, or are not comfortable approaching their supervisors or superiors about their concerns or complaints, then they may contact the Director of Human Resources, the Corporate Counsel or any member of the Audit Committee, as

appropriate. In addition, an anonymous hotline has been established for employees and is administered by a third party. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings.

XVII. General Conduct Prejudicial to the Company

Employees, officers and directors shall not engage in criminal, infamous, dishonest or notoriously disgraceful conduct, or other conduct prejudicial to the Company.

XVIII. Waiver.

Any waiver of this code for executive officers or directors of the Company may be made only by the board of directors and shall be promptly disclosed to shareholders, along with the reasons for such waiver, in a manner which complies with any and all rules and requirements of the Securities and Exchange Commission, the Nasdaq Stock Market (or of any other exchange or national market on which the Company's common stock is quoted or listed for trading) and of any other body with regulatory authority over the Company.

XIX. Enforcement

Any officer or employee who violates this Code will be subject to disciplinary action, up to and including termination from the Company.

XX. No Retaliation

The Company will not permit retaliation of any kind by, or on behalf of, the Company by any of its employees, officers or directors against any individual reporting violations of this Code in good faith.

APPENDIX A

EMPLOYEE COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS

XXI. Introduction; General Policy Statement

Any employee of Midland States Bancorp, Inc. (the “Company”) may submit a good faith complaint regarding accounting or auditing matters to the Audit Committee of the Company’s board of directors or to the Company’s management without fear of dismissal or retaliation of any kind. The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. The Audit Committee will oversee treatment of employee concerns in this area.

In order to facilitate the reporting of employee complaints, the Audit Committee has established the following procedures for: (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters (“Accounting Matters”); and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

XXII. Reporting Complaints

- Employees with concerns regarding Accounting Matters may report their concerns anonymously by calling the Company’s ethics hotline at (800) 398-1496 or using the online access through Web@Work.

XXIII. Scope of Matters Covered by these Procedures

These procedures pertain to employee complaints regarding any questionable Accounting Matters, including, without limitation, the following:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- Fraud or deliberate error in the recording and maintaining of financial records of the Company;
- Deficiencies in, or noncompliance with, the Company’s internal accounting controls;
- Misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- Deviation from full and fair reporting of the Company’s financial condition.

XXIV. Treatment of Complaints

Upon receipt of a complaint, the Company’s Corporate Counsel will determine whether the complaint actually pertains to Accounting Matters and, when possible, acknowledge receipt of

the complaint to the sender. Upon the determination by the Corporate Counsel that a complaint pertains to Accounting Matters, the complaint will be reviewed under the direction of the Audit Committee and oversight of the Corporate Counsel or such other person(s) as the Audit Committee determines to be appropriate. Prompt and appropriate corrective action with respect to the issues of concern will be taken when and as warranted in the judgment of the Audit Committee.

The Audit Committee, Corporate Counsel and any other parties involved in the review of a complaint relating to Accounting Matters will maintain strict confidentiality of all information relating to such matters, including the source and nature of the complaint, to the fullest extent possible that is consistent with the need to conduct an adequate review. Regardless of the outcome of a complaint, the Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

XXV. Reporting and Retention of Complaints and Investigations

The Corporate Counsel will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary report thereof for the Audit Committee. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.