

Revised August 15, 2007

**FIRST MIDWEST BANCORP, INC.**  
**COMPENSATION COMMITTEE CHARTER**

Purpose of Committee

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of First Midwest Bancorp, Inc. (the “Company”) is to assist the Board in discharging its responsibilities relating to compensation of the Company’s directors and senior management and to review the Compensation Discussion and Analysis (“CD&A”) section of the Company’s annual proxy statement (“Proxy Statement”) and to recommend to the Board that the CD&A be included in the Proxy Statement, and to submit the Compensation Committee Report for inclusion in the Proxy Statement in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”).

Committee Membership

The Committee shall consist of three or more members of the Board, each of whom the Board has determined to be “independent” under the rules of The Nasdaq Stock Market, as such rules may be amended and modified from time to time. In addition, two or more members of the Committee shall be both “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (“Code”).

Members shall be appointed by the Board based on nominations recommended by the Company’s Nominating and Corporate Governance Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine. Committee members may resign from the Committee by giving written notice to the Board. A Committee member may resign Committee membership without resigning from the Board, but a member shall automatically cease to be a member of the Committee upon either ceasing to be a member of the Board or ceasing to be “independent” as defined above.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), quorum, action without meetings, notice, waiver of notice, and voting requirements as are applicable to the Board. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee may invite the Company’s Chief

Executive Officer (“CEO”) and members of senior management to its meetings, as the Committee deems appropriate, however, the CEO may not be present during voting or deliberations with regard to the compensation of the CEO.

#### Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. To review and evaluate the Company’s general compensation philosophy and to oversee the development, implementation and where necessary the revision of the Company’s compensation policies and programs.
2. Annually review and recommend to the Board corporate goals and objectives relevant to the compensation of the CEO, assist the Board in evaluating the performance of the CEO in light of those goals and objectives, and recommend to the Board the CEO’s compensation level based on the evaluation.
3. To review and recommend to the Board the annual compensation of senior management.
4. Annually review and evaluate compensation programs applicable to the Board and senior management in light of the trends in board and executive compensation and to: (i) oversee the development of new compensation plans, and, when necessary, approve the revision of existing plans; and (ii) recommend to the Board for approval, changes in compensation programs for members of senior management and the Board.
5. To make recommendations to the Board with respect to the Company’s incentive compensation and equity-based plans, including, the First Midwest Bancorp, Inc. Short Term Incentive Compensation Plan and the First Midwest Bancorp, Inc. Omnibus Stock and Incentive Plan and the options and Performance Adjusted Restricted Stock Awards (PARS) issued thereunder (or any successor or replacement plan thereto)(collectively, “Plans”), to oversee the administration of the Plans, and to discharge any responsibilities imposed on the Committee by the Plans, including making and authorizing grants, in accordance with the terms of the Plans.
6. Appoint and remove plan administrators for the Company's retirement and health and welfare plans, including the members of the Company’s Retirement and Benefit Plans Administration Committee.
7. Review and approve severance, termination, retirement or early retirement payments or awards or option program participation proposed to be made for any current or former director or member of senior management of the Company.

8. To review the Company's policies on the tax deductibility of compensation paid to "covered employees," as defined in Section 162(m) of the Code, and as and when required, to administer plans, and certify that performance goals have been attained for purpose of Section 162(m) of the Code.
9. From time to time review and make recommendations about changes to the charter of the Committee.
10. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

In carrying out the forgoing responsibilities, the Committee shall apply the Company's compensation philosophy as defined below. As used in this charter, the term "senior management" shall include those officers of the Company designated by the Board to be reporting officers for the purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended.

#### Committee Reports

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

1. Any report or other disclosure required to be prepared by the Committee for inclusion in the Proxy Statement (including a CD&A) in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation should compare the performance of the Committee with the requirements of this charter. The performance evaluation should also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee, although the Board shall have the sole authority to amend this charter. The performance evaluation by the Committee shall be conducted in such manner, as the Committee deems appropriate.

#### Compensation Philosophy

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

#### Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members of

the Committee, whether or not such delegation is specifically contemplated under any plan or program.

#### Resources and Authority of the Committee

The Committee shall have the authority, and the Company shall provide the resources necessary, to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to compensation consultants retained to assist with director or senior management compensation matters, this authority shall be vested solely in the Committee. Each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Committee by such persons or organizations.