

**FIRST MERCHANTS CORPORATION
NOMINATING AND GOVERNANCE COMMITTEE
CHARTER**

The Committee will be composed entirely of independent directors appointed by the Board of Directors. The Committee will seek to ensure continuation of the effectiveness and independence of the Board of Directors. The responsibilities of the Committee include:

1. Developing and recommending to the Board of Directors the appropriate size and structure of the Board and its standing committees, as well as the qualifications for serving on these committees.
2. Reviewing annually the composition of the Board of Directors as a whole, including the balance of independence, business expertise, experience, diversity and other desired qualities.
3. Maintaining up-to-date criteria for the selection of members of the Board of Directors.
4. Reviewing the credentials of individuals suggested as prospective Directors; and, for incumbent nonemployee Directors whose terms are expiring and who are under consideration to serve a new term, evaluating their prior service as a Director.
5. Nominating individuals to serve as members of the Board of Directors, including the annual slate of Directors for election by shareholders.
6. Nominating the Board of Directors' Chairman and other Board Officers.
7. Overseeing compliance of the Corporation's governance structure and processes with applicable laws and regulations, including those of the Securities and Exchange Commission and NASDAQ.
8. Reviewing compliance with non-employee director FMC stock ownership guidelines.
9. Reviewing and recommending for approval by the Board of Directors the Code of Conduct, including the Code of Ethics for Financial Management, the Regulation O Insider Lending Restrictions Policy and the Insider Trading Policy and Section 16a Reporting Procedures.
10. Providing for or promoting continuing education of the Board of Directors and periodic self-assessments of Board and Board Committee effectiveness.
11. Receiving and making recommendations to the Board of Directors regarding shareholder proxy initiatives, if any.
12. Reviewing such other governance matters as the Board of Directors may assign.
13. Conduct a self-assessment of the Committee's effectiveness every two years.