



First Merchants

ETHICS AND INTEGRITY POLICY

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I. INTRODUCTION & PURPOSE

First Merchants Corporation is committed to the highest possible standards of ethics, integrity, transparency, and compliance.

Employees, officers, and directors are expected to act lawfully, ethically, and professionally in the performance of their duties at all times. In line with this commitment and First Merchant's commitment to open communication, the purpose of this Policy is to provide more than one avenue for raising concerns regarding unethical accounting, internal controls, or auditing matters with the assurance that any individual raising a concern will be protected from retaliation, reprisals, or victimization for reporting in good faith.

This policy shall be reviewed and approved annually by the Audit Committee and full Board.

II. INDIVIDUALS COVERED

The protection and procedures provided by this Policy are available to all First Merchants directors, officers, shareholders, and employees, including those who are part time, temporary and contract employees.

III. CONDUCT AND MATTERS COVERED

This Policy covers conduct and matters relating to any questionable accounting, internal accounting controls or auditing issues that could have an impact on First Merchants or involve serious and sensitive issues, including but not limited to:

- Fraud or deliberate error in the preparation, evaluation, review, or audit of any financial statement of the Corporation;
- Fraud or deliberate error in the recording and maintaining of financial records of the Corporation;
- Deficiencies in or noncompliance with the Corporation's internal accounting controls;
- A misrepresentation or false statement to or by a senior officer, accountant or auditor regarding a matter contained in the financial records, financial reports, or audit reports of the Corporation;
- Deviation from full and fair reporting of the Corporation's financial condition;
- Conduct in violation of federal or state criminal laws or the applicable federal, state and local statutes and regulations governing the Corporation's business;
- Actions or the failure to act that are inconsistent or contrary to the Corporation's policies, including the Code of Conduct; or
- Actions or the failure to act that otherwise amount to serious improper conduct.

Prioritizing ethical decision-making holds significance and importance. When confronted with uncertainties in a situation, individuals should consider the following questions:

- Could the action involved be illegal or go against First Merchants’ policies?
- Is the action inconsistent with the mission, vision and values of First Merchants?
- Does the action just seem to be the “wrong thing to do” in that situation?
- Could the reputation of First Merchants be harmed by the situation?
- Would the situation or action involved look unfavorable in the news?
- Would the community or shareholders view the situation or action involved negatively?
- Should the situation be discussed with someone else?

If an individual answers “yes” to any one of these questions, this could be an indication an ethics violation or concern exists. The next steps should include discussing the situation with a manager before taking any further action. All individuals covered under this policy are encouraged to ask for direction and consult with your manager, the Chief Risk Officer, Chief Human Resources Officer, or the Chief Audit Executive. Regular business matters or general employment-related concerns should be discussed with your manager or Human Resources. If an individual’s manager is involved in the ethics violation or concern, the individual should contact the Chief Risk Officer, Chief Human Resources Officer, or the Chief Audit Executive.

The procedures provided by this Policy are to be used in good faith. An individual using this Policy for malicious or personal purposes may be subject to an adverse action such as disciplinary action of employees. Failure to report a serious violation of which an employee, officer or director is aware to a proper Company official or representative may itself be a violation of this policy and/or the Code of Conduct, depending on the circumstances.

IV. SAFEGUARDS

Confidentiality

An effort will be made to protect the identity of the individual who comes forward with information about conduct or matters covered by this Policy. An individual who makes a report should understand that the information provided may result in an investigation by internal and/or external personnel. To ensure a thorough review of the information, an individual’s identity may become known during the course of the investigation.

Anonymity

An individual reporting conduct and matters covered by this Policy may elect to remain anonymous when making the report. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the concern raised;
- The credibility of the concern alone; and
- The likelihood of confirming allegations of the concern from creditable sources.

The Toll Free Ethics Hotline does not require the individual reporting to disclose their identity. The Hotline is managed by an external provider and is accessible at all times. The reporter's identity will be protected subject to applicable law, regulation and legal proceedings.

No Reprisals

Retaliation or reprisals against an individual using the procedures provided by this Policy to report a concern in good faith is unacceptable. An employee will not be discharged, demoted, suspended, threatened, harassed, or in any manner discriminated against in the terms or conditions of employment based on any lawful actions taken by such employee with respect to good faith reporting of concerns about conduct and matters covered by this Policy. Good faith reporting refers to making a report or disclosure with a reasonable belief that the information shared is true and without any malicious intent. Good faith reporting does not require that the individual be correct about a reported activity but does require that the individual reports the concern honestly and sincerely and has a reasonable idea that a violation has occurred.

Disciplinary action will be taken against any individual who retaliates or attempts to retaliate against someone making a report. If the reporting individual believes they have faced retaliation, they should immediately contact the Chief Audit Executive or utilize the Toll-Free Ethics Hotline.

V. REPORTING

Even when uncertain whether an action constitutes a violation, individuals have an obligation to report it. The reported action will undergo investigation, and necessary measures will be taken. Confidentiality will be upheld to the fullest extent possible, in compliance with the applicable laws, without jeopardizing the Corporation. However, this policy is not meant to enable knowingly false allegations of unethical behavior against other employees. Any misuse of these procedures by employees, offices or directors will not be tolerated and may lead to disciplinary action.

For matters relating to financial reporting, unethical or illegal conduct, or any other concerns covered by this Policy, individuals should report through one of the following channels:

1. **Toll Free Ethics Hotline:** (877) 472-2110 (USA & Canada English speaking)
(800) 216-1288 (North America Spanish speaking)

2. **Third-party Web Service:**
Report site: <http://report.syntrio.com/firstmerchants>
Select Submit under Report an Incident
You will be requested to create a PIN for the report.

3. **Third-party E-mail Service:** reports@lighthouse-services.com
"First Merchants" should be named in the message

4. **Third-party Fax Service:** (215) 689-3885
“First Merchants” should be named in the report
5. **Internal Audit:** An employee who does not require anonymity may also report a concern on conduct or matters covered by this Policy to the Chief Audit Executive or Manager, Internal Audit.

Employment-related concerns should continue to be reported through normal channels as outlined in the Employee Handbook.

VI. HOW REPORTED CONCERNS/ISSUES WILL BE HANDLED

Reports of a violation, potential violation, or other misconduct submitted through any of the channels outlined in this Policy will undergo review and investigation. The reported incident will be provided to the Chief Audit Executive for necessary action. The specific course of action will be determined based on the nature of the concern raised.

A. Audit Committee Notice

The Audit Committee of First Merchants Corporation Board of Directors will be advised of all reports received, and the action taken on the reports.

B. Initial Inquiries

Initial inquiries will be made by the Chief Audit Executive or Manager, Internal Fraud & Conduct Risk within five business days of receipt to determine whether an investigation is appropriate, and if appropriate, the form that it should take. Some concerns may be resolved by agreed-upon action without the need for an investigation.

C. Investigations

Appropriate and adequate resources will be allocated for the investigation. Whether conducted internally or by an external third-party, as determined appropriate, the Chairman of the Audit Committee and the Chief Audit Executive are responsible for the investigation. While ensuring a thorough review of the reported concern, confidentiality will be maintained to the extent possible. Typically, investigations will be conducted and concluded within 30 business days of the initial inquiry. In cases where the seriousness or complexity of the matter warrants it, investigations may extend beyond the 30-day timeline.

D. Reporting Individual’s Role

The level of interaction between the individual reporting the concern and the investigating party will vary based on:

- i. The nature of the conduct or matter reported.
- ii. The clarity of the information provided.
- iii. Whether the reporting individual remains available for follow-up regarding information obtained during the investigation.

Additional information may be requested from the reporting individual at any point during the investigation.

E. Follow-up With Reporting Individual

An individual reporting a concern or issue will be given the opportunity to receive a follow-up response regarding the concern raised.

VII. RETENTION OF REPORTS

Internal Audit will be responsible for retaining as part of its records each report made under this Policy for a period of at least five (5) years from the date reported.