

CHARTER
HORIZON BANCORP AND HORIZON BANK
CORPORATE GOVERNANCE and NOMINATING COMMITTEE

As of December 19, 2017

1. Purpose

The Corporate Governance and Nominating Committee (“Committee”) of the Board of Directors of Horizon Bancorp and of Horizon Bank (collectively, “Company”) is to identify, evaluate, recruit and select qualified candidates for election, re-election or appointment to the Board and to oversee the governance of the Board of Directors of the Company (“Board”), including (a) reviewing and reporting to the Board on matters of corporate governance and developing and recommending to the Board corporate governance principles applicable to the Company; (b) leading the Board and its committees in its supervisory oversight functions of Director related party transactions and insider share transactions; and (c) reviewing the Company’s activities and practices regarding environmental, social, and related governance (“ESG”) matters that are significant to the Company.

2. Membership

- The Committee will consist of at least three directors. The Committee members will be appointed by the Board annually and may be removed at any time by the Board in its discretion.
- The Board will appoint one member of the Committee as its Chairperson.
- All members of the Committee will meet the requirements established for independence as established by The NASDAQ Stock Exchange (“NASDAQ”) and any other applicable laws, rules, and regulations regarding independence as they are in effect from time to time.
- Each member of the Committee will be in compliance with the applicable ownership thresholds set forth in the Company’s Ownership Guidelines, or if the member fails to meet the applicable ownership threshold at any time, will be in compliance with the procedures set forth in the Ownership Guidelines for achieving compliance with the required ownership threshold.
- The Company’s General Counsel will, at the discretion of the Committee, attend all Committee meetings in an advisory, non-voting capacity and act as the Committee’s liaison to management.
- The CEO, at the discretion of the Committee, may attend meetings in an advisory, non-voting capacity.

3. Meetings

- A majority of the members of the Committee will be a quorum to transact business.
- The Committee will meet at least once a year and at additional times as may be necessary to carry out its responsibilities. The Chairperson may call a special meeting at any time that he or she deems advisable.

- The Chairperson will preside at each meeting. In the event that the Chairperson is not present at a meeting, the Committee members present will designate one of the Committee members who is present as the acting Chairman of the meeting.

4. Committee Duties and Responsibilities

A. Matters of Corporate Governance. In a manner as the Committee deems appropriate to fulfill its purposes, the Committee will:

- Periodically review and reassess the Company’s organizational documents, corporate governance guidelines, Code of Ethics for Executive Officers and Advisors, and policies and recommend proposed changes to the Board for approval.
- Review and assess stockholders’ feedback and periodically review and assess the Company’s stockholder engagement process.
- Periodically review and report to the Board on matters of corporate governance, including the review of, and recommendations to, the Board regarding stockholder proposals.
- Review and assess the studies, reports, and recommendations of the market, academia, and shareholder services and advise and recommend proposed corporate governance changes to the Board for approval.
- Oversee the Company’s reputation risk and engagement with stockholders and other interested parties concerning governance and other related matters, and work with the Board’s other committees regarding matters subject to the oversight of the other committees.
- Periodically review and advise the Board with respect to the charters, structure, and operations of the various committees of the Board and membership thereon.
- Review and recommend a determination to the Board with respect to each outside director’s “independence” under the requirements of the NASDAQ exchange and other applicable laws and regulations and standards under the Company’s corporate governance guidelines.
- Review and approve, or ratify, any related person transactions and board and officer share transactions in accordance with the Procedures for Related Party Transactions, attached as Addendum “A.”
- Review in coordination with the Audit Committee management’s monitoring of the Company’s ethics and illegal activities reporting system currently operated through EthicsPoint™ portal.
- Review and recommend a process for the Board’s annual self-evaluation, and oversee the evaluation of the Board of Directors and all Board Committees

B. ESG Matters. In a manner as the Committee deems appropriate to fulfill its purposes, the Committee will:

- Periodically review ESG in the marketplace and shareholder services for impact on Company strategy, initiatives, and policies, and receive updates from the Company’s management committee responsible for significant ESG activities. The Committee will include in its periodic review the following ESG Matters related to: Banking; Board

Diversity; Data Security, Privacy, and Internet issues; Equal Employment Opportunity issues; Executive Pay; and Political Contributions and Lobbying.

- Periodically review political contributions made by the Company and charitable contributions by the Company.

C. Nomination of Directors. The Committee will also:

- Annually identify, recruit, and select, consistent with the provisions of the Bylaws, this Charter and such requirements as adopted from time to time by the Board of Directors, qualified nominees to stand for election or re-election as directors at the annual meeting of shareholders.
- The Committee shall consider any director candidate recommended by a Company shareholder if such recommendation is made in compliance with the procedural and qualification requirements specified in the Bylaws, in this Charter and in any additional requirements adopted from time to time by the Board of Directors.
- In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), to select and recommend to the Board a qualified candidate to fill such vacancy.
- Before selecting a nominee for election or re-election or recommending a nominee to fill a vacancy, to review and evaluate the following:
 - the nominee’s qualifications, including his or her judgment, skill, capability, diversity, ability to serve, conflicts of interest, business experience, the interplay of the candidate’s experience with that of the other Board members, the extent to which a candidate would be a desirable addition to the Board and any committee of the Board;
 - whether the nominee would be deemed “independent” under the NASDAQ rules and SEC regulations;
 - whether the nominee is qualified and likely to remain qualified to serve under the Company’s Bylaws, this Charter and such other applicable requirements as shall have been adopted by the Board of Directors; and
 - other factors the Committee deems relevant.
- In addition to using the same evaluation factors as established for new director candidates, to consider the past participation and contribution of incumbent directors in determining whether to select them for re-election to the Board.
- To maintain an active file of suitable candidates for consideration as future nominees to the Board.
- To provide oversight for all Director training and new Director orientation.
- To review this Charter annually and recommend any proposed changes to the Board.
- To annually review the Committee’s own performance and the performance of the Board of Directors.
- To oversee and enforce Committee member compliance with the Ownership Guidelines.

5. Other Delegated Responsibilities. In a manner as the Committee deems appropriate to fulfill its purposes, the Committee will carry out all other duties that may be delegated to it by the Board from time to time.

6. Advisors

- Under the guidance and with the approval of the Board of Directors, the Committee may engage consultants with expertise in Corporate Governance.
- The Committee will have authority to approve the consultants' fees and other retention terms.
- Under the guidance and with the approval of the Board of Directors, the Committee may obtain advice and assistance from internal or external legal, accounting, or other advisors.
- Unless otherwise instructed by the Board of Directors, consultants or other counselors hired by the Committee will be instructed to report directly to the Committee, which will report any advice received from such consultants to the Board of Directors at its next regular meeting and will provide the Board with any reports prepared by the consultants.
- The Committee will receive appropriate funding from the Company, as determined by the Committee, for the payment of reasonable fees to its consultants, outside counsel, and any other advisors engaged by the Committee.

7. Delegation of Authority

The Committee may form, and delegate authority to, subcommittees comprised of one or more members of the Committee, as appropriate. Each subcommittee will have the full power and authority of the Committee, as to matters delegated to it.

8. Review

- The Committee will review and reassess this charter annually.
- The Board may amend this charter, from time to time, upon recommendation of the Committee, by action at any meeting or by unanimous written consent.

Addendum “A”
Corporate Governance and Nominating Committee Approval Procedures for
Related Party Transactions

Purpose

Horizon Bancorp’s Corporate Governance and Nominating Committee (“Governance Committee”) Charter requires the Governance Committee to review and approve all non-loan “Related-Party Transactions” involving Horizon Bancorp or any of its subsidiaries (collectively, the “**Company**” or “**Horizon**”) and directors, officers or certain shareholders of the Company. These procedures are intended to:

- i. Aid the Governance Committee in identifying the types of transactions and arrangements that constitute “Related-Party Transactions,” and
- ii. Set forth the procedure to be followed by the Company’s employees and the Governance Committee in connection with reviewing and approving (or denying) such transactions and arrangements.

Horizon recognizes that Related-Party Transactions may raise questions as to whether those transactions are consistent with the best interests of the Horizon and its shareholders. It is Horizon’s policy to enter into or ratify Related-Party Transactions only when the Board of Directors, acting through the Governance Committee, determines that the Related-Party Transaction in question is not inconsistent with the best interests of Horizon and its shareholders, including but not limited to situations in which Horizon may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when Horizon provides products or services to a related party on an arm’s-length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, Horizon has adopted the procedures set forth below for the review, approval or ratification of Related-Party Transactions.

This policy has been approved by the Governance Committee of the Board of Directors. The Governance Committee will review this policy annually and recommend any amendments to the Board of Directors for consideration.

Review and Approval Procedures

The following procedures shall be followed by the Company’s employees and Governance Committee when reviewing and approving (or denying) all Related-Party Transactions:

1. All transaction and arrangements that constitute or may constitute Related-Party Transactions must be initially submitted to the CEO, President, or CFO in writing describing:
 - i) The parties to the transaction and their position in or relationship with the Company,
 - ii) The nature of the goods, services, or other benefits and obligations to be provided and incurred by all parties.
 - iii) The dollar amount of the transaction or arrangement (including periodic payments over time),
 - iv) The form of payment (*i.e.* cash, services, *etc.*) and in the case of indebtedness, the aggregate amount of principal to be outstanding and the interest rate payable,
 - v) The duration of the proposed transaction or arrangement,
 - vi) Whether the transaction or arrangement is being offered to the Company by the other party on the same terms and conditions it would offer such transaction or arrangement to unrelated third parties in the ordinary course of its business, and if not, the specific accommodations or benefits being offered to the Company and the reasons therefore; and
 - vii) Any other material information regarding the transaction or the related person’s interest in the transaction.

2. The CEO or CFO will review the request to ensure it complies with the requirements set forth in paragraph 1 directly above, and if it does, the CEO or CFO will present the request to the Governance Committee for approval. If the request does not satisfy such requirements, the CEO or CFO will request the party making the request to supply all missing information.
3. The Governance Committee will review the request to ensure it complies with the requirements set forth in paragraph 1 directly above, and if it does, the Governance Committee will consider such request and approve (or deny) the request. The Governance Committee may conditionally approve a request and/or require such changes to the transaction or arrangement as it deems necessary or appropriate.
4. The Governance Committee shall inform the CEO or CFO of its decision, and the CEO or CFO shall notify the appropriate personnel of the approval or denial of the request or the changes proposed by the Governance Committee.
5. Any material counter-proposals by the parties involved must be reconsidered by the Governance Committee in accordance with all these procedures.

Definitions

The following definitions shall apply to these procedures unless the context in which a particular word is used clearly suggests otherwise:

“Related-Party Transaction”

- a. **Transactions with Management and Others** - Any transaction or arrangement, or any series of transactions or arrangements, to which Horizon is a party and which involves more than \$120,000, and in which any director, nominee for director, executive officer, 5% or greater shareholder of the Company, or one of their **Immediate Family Members** has a direct **Material Interest** or **Indirect Material Interest**.
 - **Certain Business Relationships with Directors** –
 - Any transaction or arrangement to which Horizon is a party and whereby a director of Horizon or nominee is an executive officer or 10% or greater equity owner in another party to the transaction; or
 - Any transaction in which a director, or a family member of the director, is or has been a partner (other than a limited partner), controlling shareholder, or an executive officer of any organization to which the company made, or from which the Company received, payments for property or services that exceed the greater of 5% of the recipient’s consolidated gross revenue for that year or \$200,000, other than payments arising solely from investments in the company’s securities or under nondiscretionary charitable contribution matching programs, during the current year or any of the past three years,

Note: For purposes of determining the financial status of other parties, it is appropriate to rely on information provided by the director, nominee or executive officer.

“**Immediate Family Member**” shall include a person’s spouse, parents, children, and siblings (whether by blood, marriage or adoption) mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in law or anyone (other than a tenant or employee) sharing such person’s household.

“**Material Interest.**” Whether or not a “**Material Interest**” exists for purposes of paragraph (a) in the definition of **Related-Party Transaction** is to be determined on the basis of the significance of the transaction or arrangement to shareholders in light of all circumstances of the particular case. The factors to be considered are (i) the importance of the interest to the other party,

(ii) the relationship of the parties to the transaction with each other, and (iii) the amount involved in the transaction.

A party shall not be deemed to have a “**Material Interest**” where:

- Rates or charges involved are determined by competitive bids,
- Transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services, or
- The interest of the other party arises solely from the ownership of securities of Horizon and such person receives no extra or special benefit.

“**Indirect Material Interest.**” A person shall not be deemed to have an “**Indirect Material Interest**” in the transaction for purposes of paragraph (a) in the definition of **Related-Party Transaction** where:

- (i) The interest arises only from such person’s position as a director of another organization which is party to the transaction,
- (ii) The interest arises only from the direct or indirect ownership by such person of less than 10% of another party to the transaction, or
- (iii) The interest arises solely from holding an equity interest or a creditor interest in another person who is a party to the transaction and the transaction is not material to such other person.