

# FIRST BUSEY CORPORATION

## AUDIT COMMITTEE CHARTER

### PURPOSE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of First Busey Corporation (the "**Company**") shall assist the Board in fulfilling its oversight responsibilities relating to: (a) the integrity of the Company's financial statements, (b) oversight of the Company's independent registered public accounting firm (the "**Auditing Firm**") including review of the Auditing Firm's performance, qualifications, and independence, (c) resolution of disagreements between management and the Auditing Firm regarding financial reporting, (d) the performance of the Company's Internal Audit and Loan Review Departments, (e) the approval of related-person transactions and (f) the Company's compliance with applicable legal and regulatory requirements, as well as with applicable Company business conduct or ethics policies. The Committee shall also serve as the Audit Committee of Busey Bank, the Company's bank subsidiary. The Committee shall also function as the Audit Committee with audit oversight responsibility for all wealth management and fiduciary activities of the Company's bank and non-bank subsidiaries. This Charter is subject to, and supplemented by, the terms and provisions of the Corporate Governance Guidelines applicable to the Company (the "**Governance Guidelines**").

### COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three directors, each of whom shall meet the independence and experience requirements of the Securities and Exchange Commission, The NASDAQ Stock Market, and the Federal Deposit Insurance Corporation Act of 1991.

The Board shall appoint its Chair and the other members of the Committee annually, considering the recommendation of the Nominating and Corporate Governance Committee. At least two members of the Committee must have banking or related financial management experience as defined by FDIC Part 363 (12 CFR 363.5), and at least one member of the Committee shall be qualified as the "Audit Committee Financial Expert" as defined by SEC Regulation S-K Item 407(d)(5). Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. In addition to Committee members, the Board may appoint such number of *ex officio* members to the Committee as it deems appropriate. Such *ex officio* members may not vote on matters before the Committee and must meet the same independence and experience requirements as Committee members.

## **COMMITTEE MEETINGS**

The Committee shall meet at least four times each year and hold such other meetings from time to time as may be called by its Chair, the Chief Executive Officer of the Company or any two members of the Committee at a time, place and manner determined by the Chair.

## **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

1. The Committee shall be responsible for and have sole authority to (a) appoint or replace the Auditing Firm, (b) approve funding for services provided by the Auditing Firm and (c) pre-approve all audit engagement fees and terms and all non-audit engagements with the Auditing Firm in accordance with the rules of NASDAQ and Section 10A(i) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Committee may delegate its approval authority to one or more of its members, provided any such approvals are presented to the Committee at a subsequent meeting. The Auditing Firm shall report directly to the Committee. The Committee may consult with management but may not delegate responsibilities hereunder.

2. The Committee shall receive from the Auditing Firm the reports on critical accounting policies and practices, alternative treatments and material communications with management as required by Section 10A(k) of the Exchange Act.

3. The Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Auditing Firm for the purpose of rendering or issuing an audit report and to any advisors or consultants employed by the Committee and to fund its ordinary administrative expenses necessary and appropriate to carry out its duties. The Committee may request any officer or employee of the Company or the Company's outside counsel or Auditing Firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

4. The Committee shall meet separately at least annually with the Auditing Firm and managers of Internal Audit and Loan Review to discuss any matters the Committee or any of these persons believes should be discussed in the interest of fulfilling the purpose, responsibility and authority of the Committee or any of these persons.

5. The Committee shall establish and maintain procedures for the receipt, retention, and treatment of concerns brought to the Committee about the Company regarding its accounting, internal controls, or auditing practices as well as concerns about conflicts of interest, or reports of illegal or unethical behavior. Procedures will include the handling of confidential, anonymous submission by employees as outlined in the Company's Whistleblower Policy.

6. The Committee shall have such other duties and responsibilities as are set forth in the Governance Guidelines.

7. **Financial Statement and Disclosure Matters.** In addition to the responsibilities described above, the Committee shall, to the extent it deems necessary or appropriate:

(a) Review and discuss with management and the Auditing Firm the financial statements to be included in the Company's annual report on Form 10-K, including disclosures made in the management discussion and analysis, the Auditing Firm's judgment about the quality of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures, prior to filing the Company's Annual Report on Form 10-K, and will recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

(b) Review and discuss with management and the Auditing Firm the Company's quarterly financial performance prior to the release of earnings, and the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the use of pro-forma, non-generally accepted accounting principles ("**GAAP**") information and results of the Auditing Firm's reviews of the quarterly financial statements. The Chair of the Committee (or in his or her absence, another member of the Committee) may represent the entire Committee for purposes of this review.

(c) Discuss with management and the Auditing Firm significant accounting and financial reporting issues and judgments made in preparing the Company's financial statements, including significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, the development, selection and disclosure of critical accounting estimates, and analyses of the impact of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

(d) Discuss with management and the Auditing Firm the effect of regulatory and accounting initiatives as well as off-balance sheet items on the Company's financial statements.

(e) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(f) Review and discuss with management and the Auditing Firm, management's assessment of the effectiveness of the Company's internal control structure over financial reporting related to Section 404 of the Sarbanes-Oxley Act of 2002 and, as necessary, the certifications and statements required to be filed or submitted to regulatory authorities pursuant

to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and applicable rules and regulations thereunder.

(g) Review major changes to the Company's auditing and accounting principles and practices.

(h) Review and discuss with management and the Auditing Firm other material written communications between the Auditing Firm and management, such as any management letter or schedule of unadjusted differences.

(i) Discuss with the Auditing Firm matters required by the relevant Auditing Standard as adopted by the Public Company Accounting Oversight Board related to the conduct of the audit. In particular, the following must be discussed:

(i) the adoption of, or changes to, the Company's significant accounting and auditing principles and practices as suggested by the Auditing Firm, internal auditors, or management;

(ii) the management letter provided by the Auditing Firm and the Company's response to that letter; and

(iii) any difficulties encountered during the course of the audit work, including restrictions on the scope of activities or access to requested information, and significant disagreements with management.

**8. Oversight of the Company's Relationship with the Auditing Firm.** In addition to the responsibilities described above, the Committee shall, to the extent it deems necessary or appropriate:

(a) Review the experience and qualifications of senior members of the Auditing Firm's team.

(b) Meet with the Auditing Firm prior to commencement of the audit to review planning and staffing of the audit.

(c) Verify that the Company's hiring of employees or former employees of the Auditing Firm who were engaged on the Company's account does not taint the external auditor's independence.

(d) Obtain and review a report from the Auditing Firm at least annually describing:

(i) The Auditing Firm's internal quality-control procedures;

(ii) Material issues raised during most recent quality-control review or peer review of the Auditing Firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years

regarding one or more independent audits carried out by the Auditing Firm;

(iii) Steps taken to monitor and/or resolve such issues; and

(iv) Relationships between the Auditing Firm and the Company.

(e) After reviewing such report(s), the Committee shall evaluate the qualifications, performance and independence of the Auditing Firm, including considering whether the Auditing Firm's quality controls are adequate and the provision of non-audit services is compatible with maintaining the Auditing Firm's independence, and taking into account the opinions of management and internal auditors.

9. **Approval of related-person transactions.** The Committee is responsible for reviewing and approving all reportable transactions with related persons (directors and executive officers or their immediate family members, or stockholders owning five percent or greater of the Company's outstanding stock). This obligation covers any related-person transaction that meets the minimum threshold for disclosure in the Company's proxy statement relating to the annual meeting under the relevant Securities and Exchange Commission rules.

10. **Internal Audit and Loan Review.** The Committee is responsible for oversight of the Company's Internal Audit and Loan Review functions. In conjunction with those responsibilities, the Committee shall:

(a) Oversee the appointment, retention or termination of external providers of Internal Audit and Loan Review functions.

(b) Review the appointment, performance and replacement of the senior officers of the Internal Audit and Loan Review departments.

(c) Prepare, or cause to be prepared, subject to the Committee's review and approval, a report to be included in the Company's proxy statement relating to the annual meeting stating whether this Committee has performed such duties as required by the rules of the Securities and Exchange Commission.

(d) Review summary documents on risk assessments and related development of annual Internal Audit and Loan Review schedules. Review periodic progress reports and summaries of audits and loan reviews completed, significant exceptions and control deficiencies identified through those audits and reviews, and monitor management responses and corrective actions taken to address exceptions and control deficiencies. Monitor progress in completing annual Internal Audit and Loan Review schedules. Resolve significant differences between management and Internal Audit and Loan Review, and mandate corrective action as appropriate.

(e) Advise the Board with respect to the Company's policies and procedures regarding Internal Audit and Loan Review and applicable laws and regulations.

## **LIMITATION OF THE COMMITTEE'S AUTHORITY AND RESPONSIBILITIES**

While the Committee has the authority and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to determine that the Company's financial statements are complete and accurate and prepared in accordance with GAAP and applicable rules and regulations. The Auditing Firm and Internal Audit Department plan and conduct audits.