

**OLD SECOND BANCORP, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**February 17, 2015**

**1. General Policy Statement**

Old Second Bancorp, Inc. has established this Code of Business Conduct Ethics (the “Code”) to provide all employees, officers and directors of the Company and its subsidiaries with general guidance in fulfilling their ethical responsibilities to the Company. The two main principles that are expressed throughout this Code, and that are the major tenets of all ethical conduct for employees, officers and directors of the Company are:

- respect for and compliance with the laws, rules and regulations of the United States, and the states, counties, cities and other jurisdictions, in which the Company conducts its business, as well as all other laws, rules and regulations that are applicable to the Company; and
- loyalty to the interests of the Company’s stockholders.

These principles require that employees, officers and directors of the Company act in a manner that will ensure:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- avoidance of conflicts of interest, including disclosure to an appropriate person or person identified in this Code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- compliance with applicable governmental laws, rules, and regulations; and
- prompt internal reporting of violations of this Code to the appropriate person or persons.

This Code does not summarize or address all ethical questions or specific situations that might arise. Rather, it is designed to provide employees, officers and directors with general guidance on their ethical obligations in the performance of their duties to the Company. This Code supersedes and replaces any prior communications, policies, rules, practices, standards and/or guidelines that are less restrictive or to the contrary, whether written or oral. This Code also supersedes the Company’s Employee Handbook in the event of any inconsistencies.

Employees, officers and directors should consult with the Executive Vice President/Human Resources or the Corporate Secretary for more information on issues not addressed in this Code. Please note that all references to the “Company” include Old Second Bancorp, Inc. and all of its subsidiaries and entities owned or controlled by Old Second Bancorp, Inc.

## **2. Real and Apparent Conflicts of Interest**

All employees, officers and directors of the Company should be scrupulous in avoiding a conflict of interest with regard to the Company’s interests and maintain their independent judgment in the conduct of the Company’s business. A “conflict of interest” exists whenever an individual’s private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her duties objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to, or guarantees of obligations of, employees, officers and directors and their respective family members and companies or other organizations in which they have an interest, either financial or otherwise, may create conflicts of interest depending on the amounts thereof. However, loans or credit arrangements to officers and directors made in compliance with the regulations set forth by the appropriate banking regulatory agencies covering insider loans will not be deemed to create a conflict of interest.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Audit Committee of the Board of Directors. Employees and officers who become aware of a conflict or the appearance of a conflict should immediately present the situation to his or her immediate supervisor or the Executive Vice President/Human Resources, as the situation merits. Directors who become aware of a conflict or the appearance of a conflict should immediately present the situation to the Chairman/CEO, the lead independent director or the Chairman of the Audit Committee, each as the situation merits.

Some examples of a potential conflict of interest include:

- owning a material financial interest in a competitor of the Company, unless such material interest resulted through the acquisition of a competitor by an outside entity or other financial institution, and the interest was in place before such acquisition and/or before becoming an employee, officer or director of the Company;
- owning a material financial interest in an entity that does substantial business with or seeks to do business with the Company, depending on the specific circumstances of the relationship with the Company;

- being employed by, performing services for, or serving on the Board of Directors of any such entity described above;
- making an investment that could compromise one's ability to perform his or her duties to the Company; or
- having an immediate family member who engages in any of the activities identified above.

Employees, officers and directors should not seek or accept for their own benefit, or for the benefit of any immediate family member, any favors, preferential treatment, special benefits, special documents, gifts or other consideration as a result of their association with the Company or any company that does business with the Company, except those usual and normal benefits provided by the Company or any such entities. The foregoing, however, does not prohibit the receipt of gifts of nominal value.

### **3. Corporate Opportunities**

Employees, officers and directors are prohibited from:

1. taking for themselves personally opportunities that properly belong to the Company or that are discovered through the use of corporate property, information or position;
2. using corporate property, information or position for personal gain; and
3. competing with the Company.

### **4. Confidentiality**

Employees, officers and directors of the Company must not disclose any confidential information entrusted to them by: (i) the Company (including any other employees, officers and directors of the Company); (ii) any past, present, or prospective customers, suppliers, or stockholders, or (iii) any other party that the Company has done, does or prospectively may do business with. Such confidential information includes, among other things, customer information, information relating to the proposed, ongoing or completed transactions of the Company, trade secrets, confidential financial information of the Company, business plans and generally any non-public information that might be of use to competitors of the Company or harmful to the Company or its customers if disclosed. Any such information shall be used solely for corporate purposes and shall under no circumstances be revealed to unauthorized persons, whether within or outside of the Company, unless such disclosure is: (i) authorized by the appropriate supervising officer within the Company and/or the party entrusting such confidential information, as applicable; (ii) required by applicable law, rule, or regulation; or (iii) required by a subpoena, order or other request issued by a court of competent jurisdiction or such other judicial, administrative or legislative body with authority over the Company. Whenever feasible, employees, officers and directors should consult with the appropriate supervising officer if they believe they have a legal obligation to disclose confidential

information. The obligation to preserve confidential information continues even after employment with the Company ends.

## **5. Personal Finances**

Because of the Company's position of trust in the community as a financial services provider, employees must manage their personal finances with prudence at all times. Personal financial affairs should be conducted in such a manner as to be above regulatory or auditing criticisms or concerns. Employee privileges carry the responsibility of Company products and services, which includes prompt payment for such services as mortgages or consumer loans.

Directors should discuss any financial emergency or concerns with the Company's President or Chairman. Officers and other Company employees should discuss any financial emergency or concerns with the Executive Vice President of Human Resources.

Further details regarding the Company's expectations with regard to personal finances are contained in the Addendum to the Code of Business Conduct and Ethics entitled "Employees Involved in Account Transactions."

## **6. Insider Trading**

Securities laws and regulations prohibit the misuse of material non-public information when purchasing, selling or recommending securities. Employees, officers and directors must comply with the practices and procedures set forth in the Company's insider trading policy, a copy of which has been distributed to all employees, officers and directors. Please contact the Corporate Secretary if you would like an additional copy of the policy.

## **7. Fair Dealing**

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. Employees, officers and directors should not take unfair advantage of any other party through fraud, manipulation, concealment, abuse of privileged information, misrepresentation or omission of material facts or any other unfair practices.

## **8. Protection and Proper Use of Company Assets**

All employees, officers and directors should protect and safeguard from harm the Company's assets. Theft, misappropriation or destruction of the Company's assets is in direct violation of the Company's obligations to the Company's stockholders. Employees, officers and directors of the Company should only use the Company's assets for legitimate business purposes.

## **9. Financial Reporting and Compliance with Controls**

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. The Company's business records must always be

prepared accurately and reliably and stored properly. The Company's books, records and accounts must reflect all transactions of the Company and all other events that are the subject of specific regulatory record keeping requirements, and must do so accurately, fairly, and within the Company's normal system of accountability. Under no circumstances may there be any unrecorded fund or asset of the Company, regardless of the purposes for which the fund or asset may have been intended, or any improper or inaccurate entry knowingly made in the books and records of the Company.

The Company's employees, officers and directors have a responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. The Company has adopted a system of internal controls for the safeguarding of assets and proper reporting and disclosure of financial information. The internal controls are the backbone of the integrity of the Company's financial records and financial statements and must be strictly adhered to. Persons who are responsible for any aspect of the Company's internal accounting controls and financial and tax reporting systems must be vigilant in recording entries accurately and honestly, and in a manner consistent with generally accepted accounting principles of the United States and all applicable legal requirements. All employees, officers, and directors must cooperate with and assist the Company's internal and independent auditors in the performance of their duties to the Company.

The Company is a public company and is required to report its financial results and other information about its businesses to the public and the Securities and Exchange Commission. Filings by the Company with the Securities and Exchange Commission and other regulatory bodies must be accurate and timely. Depending on his or her position with the Company, an employee, officer or director may be called upon to provide necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

#### **10. Reporting Accounting Errors or Improprieties**

Employees, officers and directors must comply with all financial reporting and accounting regulations applicable to the Company. If any employee, officer or director of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, including a failure to comply with internal controls of the Company or to cooperate with the Company's internal or independent auditors, then he or she should submit those concerns or complaints to the Audit Committee of the Board of Directors. (Procedures for anonymously reporting any such questionable practices are outlined in the Company's Employee Handbook.)

#### **11. Reporting Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and about the appropriate ethical conduct in a particular situation. Employees, officers and directors who are concerned that violations of this Code or that other illegal or unethical conduct by employees,

officers or directors of the Company have occurred or may occur should contact their supervisor or supervisors. If they do not believe it appropriate, or are not comfortable approaching their supervisors or superiors about their concerns or complaints, then they may contact either the Executive Vice President/Human Resources or any member of the Audit Committee the Board of Directors of the Company. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings. All reports of violations of this Code will be promptly investigated, with corrective action taken as appropriate.

Working together to ensure prompt and consistent action against violations of this Code is important. In some situations, however, it is difficult to know if a violation has occurred. Because this Code cannot anticipate every situation that will arise, it is important that the Company and its employees, officers and directors have a way to approach a new question or problem. The Company's employees, officers and directors should keep the following in mind as they relate to the reporting of potential violations:

Gather all of the facts: The Company must be as fully informed as possible to determine whether an actual or potential conflict of interest exists.

Questions to ask: What specifically am I being asked to do? Does it seem unethical or improper? This question will enable employees, officers and directors to focus on the specific question they are faced with and the alternatives available. Employees, officers and directors should use their judgment and common sense. If something seems unethical or improper, it probably is.

Clarify responsibilities and roles: In most situations there is shared responsibility. Are the proper employees/officers/directors informed?

Discuss the problem: Employees and officers may raise any question or concern with their supervisor. Directors may raise any question with the Chairman of the Board, the lead independent director or the Chairman of the Audit Committee, as the situation merits.

Seek help from the Executive Vice President / Human Resources: If it is not appropriate, or if an employee or officer does not feel comfortable approaching his or her supervisor with a question or concern, he or she should discuss it with, or otherwise notify the Executive Vice President / Human Resources.

Ethical violations may be reported in confidence and without fear of retaliation: If a situation requires that an employee, officer or director's identity be kept secret, that person's anonymity will be protected to the extent possible. The Company does not permit retaliation of any kind for good faith reports of ethical violations.

Always ask first, act later: If an employee, officer or director is unsure of what to do in any situation, he or she should seek guidance before acting.

## **12. General Conduct Prejudicial to the Company**

Employees, officers and directors shall not engage in criminal, infamous, dishonest or notoriously disgraceful conduct, or other conduct prejudicial to the Company.

## **13. Amendment, Modification or Waiver.**

Any amendment or modification of this Code, or any waiver of this code for executive officers or directors of the Company, may be made only by the board of directors and shall be promptly disclosed to stockholders, along with the reasons for such waiver, in a manner which complies with any and all rules and requirements of the Securities and Exchange Commission, the Nasdaq Stock Market (or any other exchange or national market on which the Company's common stock is quoted or listed for trading) and of any other body with regulatory authority over the Company.

## **14. No Retaliation**

The Company will not permit retaliation of any kind by, or on behalf of, the Company by any of its employees, officers or directors against any individual reporting violations of this Code in good faith.

## **15. Discipline**

Any officer or employee who violates this Code will be subject to disciplinary action, up to and including termination of employment, in keeping with the Company's Corrective Action Policy. Nothing in such policy or in this Code alters or should be construed as altering an individual's employment relationship with the Company or status as an employee at will.

## **ADDENDUM TO CODE OF BUSINESS CONDUCT AND ETHICS FOR EMPLOYEES INVOLVED IN ACCOUNT TRANSACTIONS**

### **1. General Policy Statement**

Employment with the Company requires unusually high standards of dedication to public service and trust. The Addendum to the Code of Business Conduct and Ethics for Employees Involved in Account Transactions that appears below has been developed to clarify management's expectations and employees' responsibilities with regard to account transactions. Please note that all references to the "Company" include Old Second Bancorp, Inc. and all of its subsidiaries and entities owned or controlled by Old Second Bancorp, Inc.

This Addendum is not intended to be an all-inclusive listing of prohibited activities; rather, it is a guideline with specific examples of transaction-related activities that are prohibited. Employees who may be unsure of the appropriateness of any transaction or activity should refrain from the transaction and get clarification from a member of management.

Violation of the Addendum to the Code of Business Conduct and Ethics for Employees Involved in Account Transactions is grounds for corrective action, including termination of employment, in keeping with the Company's Corrective Action policy and procedure.

### **2. Account Transactions**

The nature of many jobs at the Company requires employees to process customer account transactions such as cashing checks, waiving service fees, approving credit, transferring funds between accounts, etc. Below are examples of account transactions employees may not conduct:

- Employees are not allowed to process or approve transactions relating to their own personal accounts, the accounts of family members or to accounts which they may have a personal interest or on which they are an authorized signer.
- Specific types of prohibited transactions involving these personal or family-member accounts include, but are not limited to: refunding, reversing or waiving fees; approving or increasing credit lines; cashing checks, opening new accounts, etc.

To remove any and all appearances of potential conflicts of interest, employees must have their own banking transactions completed by another teller or personal banker or utilize NetTeller or Infoline. These transactions include, but are not limited to, transferring funds from account to account or paying on a loan.

### **3. Compliance with Policy and Procedure**

All account transactions must be handled in strict compliance with OSB policies and procedures. Examples of inappropriate transactions include, but are not limited to: misappropriation of funds; opening, closing or altering accounts without proper authorization; unauthorized transfer of funds; and any other transactions that are inconsistent with policies, procedures or practices. These kinds of transactions, as well as inappropriate operational activities such as “force-balancing” cash drawers, are strictly prohibited.

It is the responsibility of employees involved in account transactions to thoroughly familiarize themselves with all applicable policies, procedures and practices. Many operational policies and procedures for the organization may be referenced on the Bank’s intranet site. Employees should feel free to openly discuss questions, concerns or uncertainties about any aspect of account transactions with an appropriate member of management.

### **4. Monitoring of Employee Accounts**

As part of its ongoing responsibilities, the Company’s Audit Department may randomly monitor employees’ personal accounts as a good and prudent business practice. Employees should be aware that unusual transactions involving employees’ accounts are red-flagged and investigated.

### **5. Employee Account Activity Policy**

All employees should conduct their personal financial affairs in such a responsible manner as to be above criticism. The following list is intended to be a guide for employees with regard to the Company’s expectations about personal financial responsibility and stewardship. It is not intended to be a complete nor exhaustive list:

- Prompt payment of personal bills and debts;
- Timely payment of consumer loans and mortgages;
- Avoidance of overdrafts in personal checking accounts;
- Use of any Company credit cards, expense account reimbursements, equipment and supplies only for official bank use; and
- Timely filing of income tax returns.

Employee loans will be subject to the same underwriting standards, information reporting and collection processes as loans to the general public.

### **6. Bounce, Overdrafts, Wage Assignments/Garnishments/Levies**

The Company offers its employees free checking account services. Although employees are not charged monthly service charges, check order charges or stop payment fees,

employees will be charged all other fees associated with their checking accounts, including all overdraft or Bounce/ODP related charges.

The Operations Department reviews overdrafts on a daily basis. Checks causing an overdraft will be returned at the discretion of management and will be subject to applicable fees. Employee overdraft fees will not be waived or refunded unless authorized by the Executive Vice President of Operations. In the event the overdraft is a result of Bank error, fees will be waived and the item will be paid consistent with the Company's general policy.

Employees who are suspected of participating in kiting (artificially inflating balances by transferring nonexistant funds from one account to another) are subject to the highest level of corrective action, including immediate termination of employment.

## **7. Internal Procedures**

Personal financial responsibility, including manageable debt load, is required by all employees. Any legal documents received for wage assignments, garnishments or levies, along with payroll procedures, should be forwarded to the Human Resources Department for processing.

Serious and/or ongoing violations of the policies set forth in this Addendum to the Code of Business Conduct and Ethics will be proactively addressed. Employees in violation of these policies will be subject to Corrective Action as appropriate.

Employees who are having financial difficulties or are experiencing other personal concerns are encouraged to utilize the services of the Company's Employee Assistance Program offered through our vendor partner, Perspectives, Ltd., to receive confidential consultation and referral support to community resources. Employees may also contact their Human Resources team for assistance.

## **ADDENDUM TO CODE OF BUSINESS CONDUCT AND ETHICS REGARDING SOCIAL MEDIA/NETWORKING**

### **General Policy Statement and Overview:**

The Company recognizes the importance and value of on-line social media/networking tools. Social media can take many different forms, including internet forums, blogs, on-line profiles, podcasts, email and instant messaging. Examples of social media/networking applications include: LinkedIn, Facebook, MySpace, YouTube, Twitter, and many others. Please note that all references to the “Company” include Old Second Bancorp, Inc. and all of its subsidiaries and entities owned or controlled by Old Second Bancorp, Inc.

It is not the Company’s intention to restrict your ability to have an on-line presence, and to strictly monitor and mandate what you can and cannot say. However, since the Company is a community financial institution, it is critically important that we maintain a values-oriented, positive, professional image, and that we protect the safety and privacy of our employees and customers. Thus, the Company’s expectations regarding the use of social media/networking for work or personal purposes are set forth in the following policy and guidelines. Failure to follow the guidelines described in this policy may result in corrective action, up to and including termination of employment.

### **Using Social Media/Networking Tools for Work-Related Purposes**

No Company-related social media/networking pages may be set up by any Company employee without being given explicit direction and authority to do so by the EVP-Marketing, in consultation with Human Resources, if necessary.

### **Using Social Media/Networking Tools for Personal Purposes**

Employees may maintain individual pages on social media/networking sites or utilize other on-line sites or communication tools to connect with family and friends during non-work hours. If employees choose to participate in these kinds of internet activities, they are expected to comply with the following guidelines:

- **Remember that anything you publish on line will be public for a long time—Protect your privacy.** Be aware that you are responsible for the comments you post and that any personal information viewable by the public must abide by the Company’s values and employee conduct expectations as found in your Employee Handbook and this Code of Business Conduct and Ethics and related addenda, whether or not you identify yourself as a Company employee. In addition, employees may face corrective action for commentary, content or images that are defamatory, pornographic, proprietary, harassing, libelous, pose a security risk or that can create a hostile work environment. Examples of inappropriate content include, but are not limited to, the following:
  - References/photos of alcohol or illicit substance abuse

- Photos/videos with revealing clothing, obscenities, slurs, or other inappropriate behavior
  - Photos/videos of the workplace that could cause a security risk
  - Comments that can reflect poorly on you and the Company. Social media sites are not the venue for venting personal complaints about the Company, supervisors, co-workers or customers.
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- **Do not post any financial, confidential, sensitive or otherwise proprietary information about the Company or any of our past, present or future employees, customers, vendors or other persons conducting business with the Company.**
  - **Postings that reference the Company should add value and promote the positive community image of the Bank at all times.** Many sites such as Facebook and Twitter blur the lines between business and personal. Make sure that any reference to the Company is appropriate and shows a balance between your personal and professional sides. For example, inviting colleagues, relatives and friends to a Bank-sponsored community event is an acceptable form of social networking involving your Company.
  - In keeping with the Bank's Microcomputer Policy, Standards and Guidelines, **emails generated from social media/networking sites should be sent to employees' home computers and not to workplace desk tops.**
  - **If you see unfavorable opinions, negative comments or criticism about you or your Company, do not try to have the post removed or send a reply that could escalate the situation.** Forward this information to the Human Resources Department for consultation and advice.

The world of social media/networking changes rapidly. If you are in doubt about how this policy applies to you or to evolving social media/networking sites, please discuss your questions or concerns with your immediate supervisor or the Human Resources Department.

*The Company reserves the right to modify this policy at any time.*

