

TAYLOR CAPITAL GROUP, INC.

CODE OF CONDUCT FOR DIRECTORS

Approved and adopted by the Board of Directors: December 20, 2012

1. Introduction.

The Board of Directors (the “Board”) of **Taylor Capital Group, Inc.** (the “Company”) has adopted this Code of Business Conduct and Ethics (this “Code”) for all directors of the Company. This Code is intended to focus directors on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report possible unethical conduct, and help foster a culture of honesty and accountability. Each director must comply with both the terms and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may involve one or more of the provisions of this Code to the attention of the Chairperson of the Corporate Governance and Nominating Committee (the “CGN Committee”), who may consult with inside or outside legal counsel as appropriate.

Directors who serve as officers of the Company must also comply with the Company’s Code of Conduct for employees.

2. Key Principles for Guiding Ethical Conduct.

Each director is expected to adhere to a high standard of ethical conduct. The good name of any corporation depends on the way it conducts its business and the way the public perceives that conduct. Unethical actions, or the appearance of unethical actions, are not acceptable. Directors are expected to be guided by the following principles in carrying out their responsibilities:

- *Loyalty.* No director should be, or appear to be, subject to influences, interests or relationships that conflict with the best interests of the Company.
- *Compliance with Applicable Laws.* The Company and its directors are expected to comply with laws and regulations applicable to the Company’s activities.
- *Observance of Ethical Standards.* In the conduct of their duties, each director must adhere to high ethical standards. These include honesty and fairness.

3. Conflicts of Interest.

Each Director must avoid any conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairperson of the CGN Committee or the General Counsel of the Company.

A “conflict of interest” can occur when a director’s personal interest is adverse to – or may appear to be adverse to – the interests of the Company and its subsidiaries taken as a whole. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her duties as a director of the Company objectively and effectively. Conflicts of interest also arise when a director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position with the Company. For purposes of this Code, “immediate family” includes a director’s spouse, parents, stepparents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who resides in such person’s home.

This Code does not attempt to describe all possible conflicts of interest which could arise. Some of the more common conflicts from which directors must refrain, however, are set out below:

- *Improper conduct and activities.* Directors may not engage in any conduct or activities that are inconsistent with the Company’s best interests or that disrupt or impair the Company’s relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- *Compensation from non-Company sources.* Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company.
- *Gifts.* Directors and members of their immediate families may not accept gifts from persons or entities where any such gift is being made in order to influence the director’s actions, or where acceptance of the gifts could create the appearance of a conflict of interest.
- *Personal use of Company assets.* Directors may not use Company assets, labor or information for personal use unless approved by the Board or as part of a compensation or expense reimbursement program.

4. Corporate Opportunities.

Directors are prohibited from: (a) taking for themselves personally opportunities that are presented to the director as a result of the use of Company property, information or position; (b) using the Company’s property, information or position for personal gain; or (c) competing with the Company for business opportunities; *provided, however*, that if the Company’s disinterested directors determine that the Company will not pursue an

opportunity that relates to the Company's business, after disclosure of all material facts by the director seeking to pursue the opportunity, the director may do so.

5. Confidentiality.

Directors should maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company, its business, customers or suppliers that comes to them, from whatever source, in their capacity as directors, except when disclosure is authorized by the Company or legally mandated. For purposes of this Code, "confidential information" includes all non-public information relating to the Company, its business, customers or suppliers.

6. Fair Dealing.

Directors shall oversee policies designed to promote fair dealing by the Company with customers, suppliers, competitors and employees. "Fair dealing" means the avoidance of unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

7. Protection and Proper Use of the Company's Assets.

Directors should protect (through oversight) the Company's assets and oversee their efficient and effective use. Directors should recognize that theft, carelessness and waste may have a direct impact on the Company's profitability, and that Company assets should be used only for business purposes.

8. Compliance with Laws, Rules and Regulations.

Directors shall comply, and shall oversee policies designed to promote compliance, with all laws, rules and regulations applicable to the Company, including, but not limited to, federal and state securities laws, rules, and regulations, and the rules and regulations of the Nasdaq Global Select Stock Market.

9. Public Company Reporting.

Directors shall oversee policies designed to ensure that the Company's public disclosure communications, including filings with the Securities and Exchange Commission, are full, fair, accurate, timely and understandable. In addition, directors may be asked to provide information necessary to assure that the Company's public reports meet these requirements. The Company expects 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. Encouraging the Reporting of Illegal or Unethical Behavior.

Directors should provide oversight with respect to policies and procedures adopted by the Company which: (a) promote ethical behavior, (b) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course

of action in a particular situation that may involve illegal or unethical behavior; (c) encourages employees to report violations of laws, rules or regulations to appropriate personnel; and (d) informs employees that the Company will not allow retaliation for complaints or reports of possible illegal or unethical behavior made in good faith.

11. Compliance Procedures.

Directors should communicate any suspected violations of this Code promptly to the Chairperson of the CGN Committee or the General Counsel of the Company. Violations will be investigated by the CGN Committee or by the person or persons designated by the CGN Committee, and appropriate action will be taken in the event of any violations of this Code.

12. Amendment, Modification And Waiver

This Code may be amended, modified, or waived by the Company's Board of Directors, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, as amended, and the rules thereunder and the applicable rules of Nasdaq Global Select Stock Market. As a general policy, the Board of Directors will not grant waivers to this Code.