



First Merchants Corporation





FRME NASDAQ

Banks

Market Capitalization USD:

\$181.12 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Michael C. Rechin

Age: 53

CEO Since: 2007

	2009	2010	2011
Base Salary	\$350,000	\$350,000	\$359,692
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$0	\$0	\$64,590
Benefits and Perquisites	\$64,693	\$60,182	\$69,490
TOTAL ANNUAL COMPENSATION	\$414,693	\$410,182	\$493,772
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$59,296	\$0	\$0
Stock Awards	\$44,560	\$88,350	\$147,200
TOTAL COMPENSATION	\$518,549	\$498,532	\$640,972
Median of Other Named Executive Officers Total Compensation	\$272,416	\$284,462	\$366,969
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$28,100	\$16,980	\$35,760
TOTAL REALIZED EQUITY COMPENSATION	\$28,100	\$16,980	\$35,760

Proxy Date: 16 Mar 2012

Annual Meeting Date: 27 Apr 2012

Equity Reserves: 8.06%

Stock Option Run Rate: 0.18%

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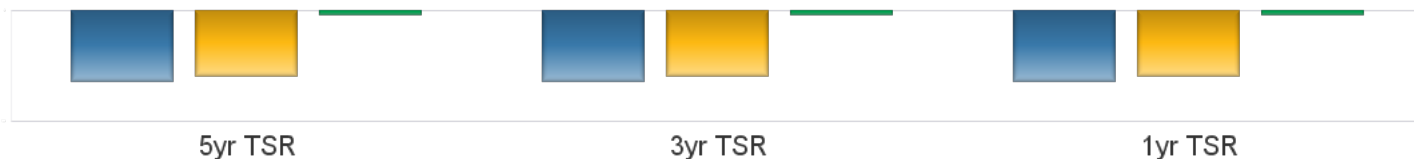
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ FRME



Peer Comparisons (TRBC) =Banks

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
FRME	First Merchants Corporation	\$518,549	\$498,532	\$640,972	\$181,119,075
PVTB	PrivateBancorp, Inc.	\$883,991	\$2,676,800		\$539,973,366
SRCE	1st Source Corporation	\$990,891	\$1,871,600	\$1,976,362	\$504,359,747
BANF	BancFirst Corporation	\$439,368	\$435,671		\$501,562,939
PACW	PacWest Bancorp	\$1,505,375	\$3,400,078		\$494,599,605
INDB	Independent Bank Corp.	\$1,924,710	\$1,982,595		\$466,642,599
WSBC	WesBanco, Inc.	\$518,397	\$874,315	\$949,750	\$460,954,221

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

1st Source Corporation, Heartland Financial USA, Inc., Capitol Bancorp, Ltd., MB Financial Inc., Chemical Financial Corporation, National Penn Bancshares, Inc., Community Trust Bancorp, Inc., Old National Bancorp, F. N. B. Corporation, Park National Corporation, First Busey Corporation, Pinnacle Financial Partners, Inc., First Commonwealth Financial Corporation, Republic Bancorp, Inc., First Financial Bancorp, S & T Bancorp, Inc., First Midwest Bancorp, Inc., Taylor Capital Group, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Charles E. Schalliol	Chairman	64	Male	8	Outside
Garv Lehman	Member	59	Male	1	Outside
Roderick English	Member	60	Male	7	Outside
William L. Hov	Member	63	Male	5	Outside

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