



## COMPENSATION COMMITTEE CHARTER

Amended December 15, 2014

### PURPOSE

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of First Internet Bancorp (the "Company") shall be to:

- provide oversight of the Company's compensation policies, plans and benefits programs;
- determine the compensation of the Company's Chief Executive Officer (the "CEO") and other executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934), and (ii) approve and evaluate the executive officer compensation plans, policies and programs of the Company;
- administer the Company's equity compensation plans for its employees and directors; and
- determine the compensation of the Company's Board of directors for service thereon and committees thereof and evaluate such compensation plans, policies and programs from time to time.

The compensation programs for the Company's executive officers shall be (i) designed to attract, motivate and retain talented executives responsible for the success of the Company, (ii) determined within a competitive framework and (iii) based on the achievement of the Company's overall financial results, individual contributions and a compensation philosophy of "pay for performance."

In furtherance of these purposes, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

### MEMBERSHIP

The Compensation Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Committee shall consist of no fewer than two members of the Board. The Board may designate one member of the Committee as its chair. The Committee may form and delegate authority to subcommittees when appropriate. Members of the Committee must meet the following criteria:

- the independence requirements of the listing standards of the Nasdaq Stock Market, Inc. (the "Nasdaq Rules");
- the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
- the definition of outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended.

## RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Compensation Committee shall include:

### ***Executive and Other Compensation***

- Annually reviewing and approving for the CEO and the executive officers of the Company: (i) the annual base salary, (ii) the annual incentive bonus, including the specific goals and amount, (iii) equity compensation, (iv) any employment agreement, severance arrangement and change in control agreement/provision, (v) any signing bonus or payment of relocation costs and (vi) any other significant benefits, compensation or arrangements not available to employees generally. One of the Committee's objectives shall be to use compensation to align the interests of the executive officers with the long term interests of the Company's shareholders, thereby incentivizing management to increase shareholder value;
- Reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and the executive officers of the Company, evaluating performance in light thereof, and considering factors related to the performance of the Company, including accomplishment of the Company's long term business and financial goals;
- Administering the Company's equity compensation plans (collectively the "Plans"), including granting awards to employees and delegating some or all of its administrative authority under the Plans to a subcommittee comprised of one or, more members of the Board or officers of the Company as the Committee may deem appropriate;
- Providing oversight of the Company's overall compensation plans and benefits programs and making recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate;
- Evaluating, on a periodic basis, the competitiveness of (i) the compensation of the CEO and the executive officers of the Company and (ii) the Company's overall compensation plans;

### ***Director Compensation***

- Evaluating director compensation, consulting with outside consultants and/or with the Human Resources department when appropriate and determining director compensation;
- Granting awards under any Plans to directors and any proposed amendments thereto, subject to obtaining stockholder approval of any amendments as required by applicable law or the Nasdaq Rules;

### ***Related Duties and Authority***

- Periodically reviewing this Charter and its processes and recommending any proposed changes to the Board of Directors;
- Consulting with the Human Resources department and, when appropriate, with outside consultants to assist in the determination and evaluation of executive officer compensation and approving the consultants' fees and other retention terms. The Committee may also obtain advice and assistance directly from internal or external legal, accounting or other advisors, including compensation consultants and shall have the power to retain such individuals, or entities as it may determine necessary or appropriate. In selecting any such advisors, the Committee shall, if then required to do so under the Nasdaq Rules and the rules of the Securities Exchange Commission, consider whether such advisors may have actual or potential conflicts of interest; and
- Reviewing and discussing with management the Company's Compensation Discussion and Analysis included in the Company's annual proxy statement, and producing a report on executive compensation for inclusion in the Company's annual proxy statement that

complies with the rules and regulations of the Securities and Exchange Commission and any other applicable rules and regulations.

## **MEETINGS**

The Compensation Committee shall meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The Committee may establish its own meeting schedule, which it will provide to the Board. The Committee may invite to its meetings other Board members, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.

A majority of the members of the Committee shall represent a quorum, and if a quorum is present any action approved by at least a majority of the members present shall represent the valid action of the Committee. Any actions taken by the Compensation Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth above shall be nonetheless duly authorized actions of the Committee for all corporate purposes.

## **MINUTES**

The Compensation Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **REPORTS**

The Compensation Committee shall make regular reports to the full Board on the actions and recommendations of the Compensation Committee. The CEO may not be present during voting or deliberations regarding CEO compensation.

## **COMPENSATION**

Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Committee and disclosed to the Board.