



NOMINATING COMMITTEE CHARTER

Purpose

There shall be a committee of the Board of Directors of Baylake Bankshares, Inc., and Baylake National Bank (collectively the “Company”) to be known as the Nominating Committee (the “Committee”). The purpose of the committee is to review candidates for membership on the Company’s Board of Directors (the “Board”) and recommend individuals for nomination to the Board. The Committee shall also prepare and periodically review with the entire Board a list of general criteria for Board nominees.

In order to be considered for nomination to an additional term on the Board, the Committee shall ensure that the individual continues to meet the criteria established for nominees to the Board.

The Committee’s primary duties and responsibilities are to:

- Review director nominees.
- Recommend to the Board, candidates for membership on the Board.
- Review additions to the Board that are contemplated by merger/acquisition activity, if any.
- Review annual meeting resolutions relating to director nominations.
- Ensure new and continuing directors meet nomination criteria.
- Ensure that at least a majority of board members meet the applicable independence criteria.
- Recruit and retain members of the Board.
- Assess performance of individual directors, including use of a periodic director evaluation process.
- Assess the attributes new directors should have for the appropriate mix to be maintained and ensure that prospective candidates are informed of the degree of energy and commitment the Company expects of its directors.
- Maintain an ongoing database of potential candidates, in consultation with the Board and CEO.
- Identify, with as much advance notice as practicable, impending Board vacancies, so as to allow sufficient time for recruitment and for introduction of nominees to the Board.

Organization

The Committee shall consist of at least two members each of whom shall be independent directors. In determining whether any director is independent, the Board shall take into consideration the requirements of the principal exchange or system on which any class of the Company’s stock is traded. By way of example, and not limitation, directors who are affiliates of the Company, or officers or employees of the Company and/or any of its subsidiaries, will not be considered independent.

Structure and Meetings

The Nominating Committee shall meet at least annually to review candidates for nomination to the Board

and meet at such other times during the year as may be necessary to carry out the purpose outlined in this Charter.

Other

The Committee shall perform any other activities consistent with this Charter, by-laws and governing law, as the Committee deems necessary or appropriate.

The Committee shall periodically report to the Board on significant results of the foregoing activities. All matters require approval of the Board based upon recommendation of the Committee.

The Committee, along with the Board, shall review and assess the adequacy of this Charter at least annually. The Committee Charter shall be submitted to the Board for approval at its annual meeting.

Nomination Criteria

With respect to each person proposed to be nominated, the Committee shall be provided with the following information:

- The name, address (business and residential), date of birth, principal occupation or employment (present and for the past five years);
- The number of shares of the Company such person beneficially owns (as such term is defined by Section 13(d) of the Securities Exchange Act of 1934, as amended (“the Exchange Act”)); and
- Any other information relating to such person that would be required to be disclosed in a definitive proxy statement to shareholders prepared in connection with an election of directors pursuant to Section 14(a) of the Exchange Act.

The Committee may require any proposed nominee to furnish additional information as may be reasonably required to determine the qualifications of such person to serve as a director of the Company.

No person shall be eligible for election as a director unless nominated in accordance with the procedures set forth in the by-laws.

Among other things, the Committee will consider a nominee’s general and specific attributes, competencies and business experiences; entrepreneurial spirit and abilities; current and potential ownership level of the Company; understanding of the Company’s mission and values and the ability to convey such message in the Company’s markets; and ability to bring their own business and other business to the Company.

These criteria should also address the level of director attendance, preparedness, participation, and candor.

With each director nomination recommendation, the Committee should consider the mix of director characteristics, experience, diverse prospective, and skills that is most appropriate for the Company.

The Board shall maintain an openness to new ideas and a willingness to critically re-examine the status quo.

Minimally, the core competencies should address accounting or finance experience, market familiarity, business or management experience, industry knowledge, customer-base experience or perspective, crisis response, leadership, and/or strategic planning.

Nominees should ideally possess the following characteristics:

- Personal integrity – a pledge based on one’s own personal integrity that represents the Company’s commitment to dealing with others in a fair, confidential, and truthful manner.
- Professional excellence – characteristics and behavior, such as respect for others, fair evaluations, and positive regard, that constitute professional excellence as a model for the Board, Executive Officers, and employees to follow.
- Accountability and responsibility – and emphasis on good stewardship, the Company’s responsibilities to its constituents, and their responsibilities to the Company.
- Conflict of interest, personal gain, and expense reporting – all decisions will be in the best interest of the Company. It is a helpful reminder that individuals should evaluate their conduct and their decisions in light of their impact on the Company vis-à-vis the public and, more precisely, in light of how others might reasonably perceive them. These standards are the essence of any code of ethics, and they constitute core values helping to underscore that the public can place its faith in the Company’s basic integrity.
- Fresh intellectual perspective and ideas.
- Knowledge of the banking and finance industry, competitors, and future needs.

The Company’s best interests are served by maintaining a diverse and active Board with members who are willing, able, and well-situated to provide insight into current business conditions, opportunities, and risks. The “outside” perspectives of the members are key factors in the Company’s success:

- Relevant geographic diversity is desirable and, therefore, membership should consider, in as practical a manner as possible, the markets the Company serves.
- Industry representation is desirable and, there, a mix and balance of manufacturing, service, public, and private companies should be present.
- Expertise in multi-disciplines is desirable. Therefore financial/accounting expertise, sales/marketing expertise, mergers and acquisition expertise, regulatory, manufacturing and production expertise, educational institutions, and public service expertise are all desirable.
- The Board should consider diversifying its membership racially, ethnically, and through gender representation.
- A majority of the members of the Board shall meet the independence requirements of the SEC and NASDAQ.

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