

COMPENSATION AND PENSION COMMITTEE CHARTER

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Exec Management Responsibility:	President & Chief Executive Officer
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I. PURPOSE

This Charter sets forth the organization and operation of the Compensation and Pension Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Chemical Financial Corporation (the “**Company**”) and has been approved by the Board. Amendments to this Charter shall be approved by the Board. The Committee shall provide assistance to the Board in fulfilling its responsibilities relating to the Company’s compensation and benefit programs and policies, including the review and determination of executive compensation.

II. MEMBERSHIP

The Committee shall be comprised of three or more directors appointed by the Board, based on recommendations from the Corporate Governance and Nominating Committee of the Board. One Committee member shall be designated by the Board as Chairperson. All Committee members shall be independent of the management of the Company and free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as a Committee member. Each Committee member shall be an “independent director” as defined by the Nasdaq Marketplace Rules. In addition, each Committee member shall satisfy the criteria to be considered a “non-employee director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. A Committee member may be removed for any reason following a majority vote of the Board.

III. AUTHORITY AND RESPONSIBILITIES

The Committee has full power and authority to perform the responsibilities of a public company compensation committee under applicable law, regulations, Nasdaq Marketplace Rules, and public company custom and practice.

The Committee has the authority and responsibility to:

- Determine and oversee the Company’s executive compensation philosophy, structure, policies and programs, and assess whether the Company’s compensation structure establishes appropriate incentives for management and employees.
- Review from time to time the personnel policies and programs of the Company, and submit recommendations to the Board.

- Administer, amend, interpret or make recommendations to the Board with respect to retirement, stock incentive, cash incentive, welfare and other compensation and benefit plans of the Company that are approved by the Board ("**Plans**").
- Approve stock option and other stock incentive awards and authorize the issuance of shares of the Company's Common Stock, options and rights to acquire Common Stock, awards and units denominated in Common Stock, and other interests in the Company's Common Stock pursuant to Plans.
- Authorize acquisitions of shares of Common Stock from the Company and dispositions of shares of Common Stock to the Company by officers or directors.
- Review and approve annually the corporate and personal goals and objectives relevant to the compensation and evaluation of the Chief Executive Officer ("**CEO**").
- Evaluate at least annually the performance of the CEO in light of those goals and objectives and determine and approve the CEO's compensation, including base salary, bonus, long-term incentive awards, benefits and other compensation, based on this evaluation. In determining the long-term incentive compensation of the CEO, the Committee may consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.
- In evaluating and determining CEO compensation, the Committee shall consider the results of the Company's most recent shareholder advisory vote on executive compensation (the "**Say on Pay Vote**"). The Committee's evaluation shall take into account factors determined relevant by the Committee, including benchmarking data from time to time at the Committee's discretion.
- Review and approve the compensation of all of the Company's other executive officers, including base salary, bonus, long-term incentive awards, benefits and other compensation. In evaluating and determining executive compensation, the Committee shall consider the results of the Company's most recent Say on Pay Vote.
- Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the most recent shareholder advisory vote on the frequency of Say on Pay Votes.
- Review and approve proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
- Establish and administer performance goals for Plans as contemplated by Internal Revenue Service regulations under Internal Revenue Code Section 162(m).
- Review, recommend and approve the design of Plans pertaining to executive officers.
- Review, recommend and approve employment agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements.
- Review, recommend and approve Company policies pertaining to executive perquisites and personal benefits.
- Review and recommend for approval by the full Board the compensation and benefits provided to directors, including the issuance of shares of the Company's Common Stock, options and rights to acquire Common Stock, awards and units denominated in Common Stock, and other interests in the Company's Common Stock to directors as compensation for services to the Company as a director.

- Establish stock ownership guidelines for directors and executive officers and monitor compliance with the guidelines.
- Assess and determine, on an annual basis, whether the risks arising from the compensation policies and practices of the Company are reasonably likely to have a material adverse effect on the Company.
- Review and discuss the Company's annual Compensation Discussion and Analysis with management, recommend to the Board that the Compensation Discussion and Analysis be included in the Company's proxy statements or annual reports on Form 10-K, and report this review, discussion and recommendation in the Compensation Committee Report to be included in the Company's proxy statements or annual reports on Form 10-K.

The Committee also has and will have any additional powers, authority and responsibilities which are delegated to the Committee by the Board or by Plans approved by the Board. The powers, authorities and responsibilities of the Committee that relate to specific laws, regulations and rules shall continue and apply to any applicable successor or amended laws, regulations and rules. The Committee may establish subcommittees of the Committee and delegate authority and responsibility to subcommittees or any individual member of the Committee.

The Committee will keep minutes, make regular reports to the Board and propose any necessary action to the Board. The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

IV. ADVISORS

The Committee has the authority, in its sole discretion, to select, retain, and obtain the advice of compensation consultants, independent legal counsel and other advisors to assist with the execution of its duties and responsibilities as set forth in this Charter and shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultants, independent legal counsel and other advisors. The Committee has authority to approve contracts with and payment of fees and other compensation of compensation consultants, independent legal counsel and other advisors. The Company shall provide appropriate funding, as determined by the Committee, for the payment of compensation to any compensation consultants, independent legal counsel and other advisors retained by the Committee and the ordinary administrative expenses of the Committee.

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the factors specified in SEC Rule 10C-1(b)(4) and NASDAQ Listing Rule 5605(d)(3). The Committee may retain, or receive advice from, any compensation advisor they prefer, including those that are not independent, after considering the factors specified in SEC Rule 10C-1(b)(4) and NASDAQ Listing Rule 5605(d)(3). The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees and/or (b) providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

V. ROLE OF OFFICERS

The Company's executive officers shall serve as a resource to the Committee and provide advice, information, analysis and documentation to the Committee upon request. In appropriate cases, in its discretion, the Committee may delegate its authority to the executive officers, being mindful that the Committee and the Board are responsible to the Company's shareholders to perform the functions and fulfill the responsibilities charged to the Committee under this Charter. The Committee may delegate to the Chief Executive Officer authority to determine or recommend the amount or form of compensation paid to other executive officers and associates subordinate to the Chief Executive Officer, subject to such limitations and reporting responsibilities as the Committee in its discretion shall require. Other than pursuant to a separate written policy approved by the Committee, the Committee will not delegate to executive officers its authority to approve awards of stock options or other stock compensation.

The Chief Executive Officer cannot be present during voting or deliberations of the Committee relating to the compensation of the Chief Executive Officer. The Chief Executive Officer may be present during voting or deliberations of the Committee relating to compensation of other officers, but neither may vote.

Upon the vote of a majority of the members of the Committee present at a meeting, the Committee may hold an executive session outside the presence of the Company's executive officers. However, no vote of Committee members shall be required to establish an executive session outside the presence of the Company's executive officers for the portion of a meeting during which the Committee votes or deliberates concerning the compensation of the Chief Executive Officer.

VI. SCOPE OF RESPONSIBILITY

The Committee and its members have the duties and responsibilities expressly stated in this Charter or imposed by law. These duties and responsibilities of a member of the Committee are in addition to those duties applicable to all members of the Board. It is not the duty of the Committee to conduct investigations or to ensure compliance with laws and regulations. In discharging his or her duties, each member of the Committee is entitled to rely on financial statements, financial data information, opinions, reports and statements, prepared or presented by officers, employees, consultants, advisors, legal counsel, accountants, and other persons he or she reasonably believes to be reliable and competent in the matters presented.