UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

MIDLAND STATES BANCORP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

☒ No fee required

☐ Fee paid previously with preliminary materials

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 6, 2024

To the shareholders of Midland States Bancorp, Inc.:

The annual meeting of the shareholders of Midland States Bancorp, Inc., an Illinois corporation, will be held at the Holiday Inn that is located at 1301 Avenue of Mid-America, Effingham, Illinois 62401, on Monday, May 6, 2024, at 5:30 p.m., local time, for the following purposes:

1. To elect the three nominees named in the accompanying proxy statement to serve as Class II directors, each for a term expiring at the 2027 annual meeting of shareholders.
2. To approve, on a non-binding, advisory basis, the compensation of certain executive officers, which we refer to as the "say-on-pay proposal."
3. To ratify the appointment of Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2024.

The board of directors has fixed the close of business on March 7, 2024, as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting. If there is an insufficient number of votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the meeting, the meeting may be adjourned or postponed to permit our further solicitation of proxies.

By order of the Board of Directors,

Jeffrey C. Smith
Chairman

Effingham, Illinois
March 25, 2024

YOUR VOTE IS IMPORTANT. PLEASE EXERCISE YOUR SHAREHOLDER RIGHT TO VOTE, REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING.

Table of Contents

MIDLAND STATES BANCORP, INC.
PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
MAY 6, 2024

These proxy materials are furnished in connection with the solicitation by the Board of Directors of Midland States Bancorp, Inc., an Illinois corporation (the "**Company**") and the holding company of Midland States Bank (the "**Bank**"), of proxies to be used at the 2024 annual meeting of shareholders of the Company, to be held at the Holiday Inn that is located at 1301 Avenue of Mid-America, Effingham, Illinois 62401, on Monday, May 6, 2024, at 5:30 p.m., local time, and at any adjournments or postponements of such meeting. A complete list of the shareholders entitled to vote at the 2024 annual meeting of shareholders is kept on file at the Company's principal executive offices, located at 1201 Network Centre Drive, Effingham, Illinois 62401.

In accordance with the rules and regulations of the Securities and Exchange Commission (the "**SEC**"), instead of mailing a printed copy of our proxy materials to each shareholder of record, we furnish proxy materials, which include the Notice of Annual Meeting, this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2023, over the Internet unless otherwise instructed by the shareholder. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials. The Notice of Internet Availability of Proxy Materials is being mailed on or about March 25, 2024.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

The following is information regarding the meeting and the voting process, presented in a question and answer format.

Why did I receive access to the proxy materials?

According to our records, on March 7, 2024, the record date for the annual meeting, you owned shares of our common stock. This proxy statement describes the matters that will be presented for consideration by the shareholders at the meeting. It also gives you information concerning those matters to assist you in making an informed decision.

What matters will be voted on at the meeting?

You are being asked to vote on: (i) the election of the three nominees named in this proxy statement to serve as Class II directors, each for a term expiring at the 2027 annual meeting of shareholders; (ii) the approval, on a non-binding, advisory basis, of the say-on-pay proposal; and (iii) the ratification of the appointment of Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2024. These matters are more fully described in this proxy statement.

What are the board's voting recommendations?

The board recommends that you vote your shares:

- "FOR" the election of each of the director nominees named in this proxy statement;
- "FOR" the say-on-pay proposal; and
- "FOR" the ratification of the appointment of our independent registered public accounting firm for the year ending December 31, 2024.

If I am the record holder of my shares, how do I vote?

If your shares are registered directly in your name with the Company's transfer agent, Computershare, Inc., there are four ways to vote:

- *Via the Internet.* You may vote by proxy via the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials. If you request printed copies of the proxy materials by mail, you will receive a proxy card and these instructions can be found on your proxy card.
- *By Telephone.* If you request printed copies of the proxy materials by mail, you will receive a proxy card and you may vote by proxy by calling the toll free number found on the proxy card.
- *By Mail.* If you request printed copies of the proxy materials by mail, you will receive a proxy card and you may vote by proxy by filling out the proxy card and returning it in the envelope provided.
- *In Person.* You may vote in person at the meeting by requesting a ballot when you arrive. You must bring valid picture identification, such as a driver's license or passport, and may be requested to provide proof of stock ownership as of the record date.

If I am a beneficial owner of the Company's shares held in street name, how do I vote?

If you are a beneficial owner of shares held in street name (such as if you hold your shares through a broker, trustee or other fiduciary), then that organization will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available. If you are a beneficial owner of shares held in street name and wish to vote in person at the meeting, you must obtain a "legal proxy" from the organization that holds your shares. A legal proxy is a written document that will authorize you to vote your shares held in street name at the meeting. Please contact the organization that holds your shares for instructions regarding obtaining a legal proxy. You must bring a copy of the legal proxy to the meeting and ask for a ballot from an usher when you arrive. You must also bring valid picture identification, such as a driver's license or a passport. For your vote to be counted, you must hand both the copy of the legal proxy and your completed ballot to an usher to be provided to the inspector of election.

What happens if I do not give specific voting instructions?

Shareholders of Record. If you are a shareholder of record and you: (i) indicate when voting on the Internet or by telephone that you wish to vote as recommended by the board; or (ii) sign, date and return a proxy card without giving specific voting instructions; then the persons named as proxy holders will vote your shares in the manner recommended by the board on all matters presented in this proxy statement and as the proxy holders may determine in their judgment with respect to any other matters properly presented for a vote at the meeting.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, then, under applicable rules, the organization that holds your shares may generally vote on "routine" matters but cannot vote on "non-routine" matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, that organization will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a "broker non-vote."

At the meeting, the election of directors and the say-on-pay proposal are considered non-routine matters, but the ratification of the appointment of our independent registered public accounting firm is considered a routine matter.

If I hold shares in the Amended and Restated Midland States Bancorp, Inc. Employee Stock Purchase Plan, who votes my shares?

If you are a holder of stock in the Amended and Restated Midland States Bancorp, Inc. Employee Stock Purchase Plan (the "ESPP"), you can direct the service provider of the ESPP (the "Service Provider") how to vote the number of shares you hold in the ESPP for each proposal included in this proxy statement. If you do not provide timely voting directions to the Service Provider, then the shares held for your benefit in the ESPP shall be voted in accordance with the recommendations of the board.

What options do I have in voting on each of the proposals?

You may vote "FOR," "AGAINST" or "ABSTAIN" with respect to the election of each director nominee, with respect to each other proposal described in this proxy statement, and with respect to any other proposal that may properly be brought before the meeting.

How many votes may I cast?

You are entitled to cast one vote for each share of common stock you owned on the record date.

What is the quorum required for each matter?

The holders of a majority of the outstanding shares of the Company entitled to vote on each matter represented in person or by proxy will constitute a quorum for purposes of such matter at the meeting. If less than a majority of the outstanding shares are represented at the meeting, a majority of the shares represented may adjourn the meeting at any time. On March 7, 2024, the record date, there were 21,850,000 shares of common stock issued and outstanding and entitled to vote.

A list of shareholders entitled to vote at the meeting will be available for inspection by shareholders within 20 days after the record date at the Company's office located at 1201 Network Centre Drive, Effingham, Illinois 62401.

Broker non-votes will count for purposes of determining whether or not a quorum is present since a routine matter (the ratification of the appointment of our independent registered public accounting firm) is on the proxy ballot. Similarly, abstentions will also count in determining the presence of a quorum.

How many votes are needed for approval of each proposal?

With respect to the election of directors, if a majority of the shares represented at the meeting and entitled to vote on such proposal are voted "FOR" any nominee, he or she will be elected as a director to serve until the Company's 2027 annual meeting of shareholders, or until his or her earlier resignation or removal.

With respect to the say-on-pay proposal, if a majority of the shares represented at the meeting and entitled to vote on such proposal are voted "FOR" the proposal, such proposal will be approved. Please note, however, that because the say-on-pay proposal is advisory, the outcome of such vote will not be binding on the board of directors or the Compensation Committee.

With respect to the proposal to ratify of the appointment of our independent registered public accounting firm, if a majority of the shares represented at the meeting and entitled to vote on such proposal are voted "FOR" the proposal, such proposal will be approved.

How are abstentions and broker non-votes treated?

With respect to the election of directors, a vote to "ABSTAIN" will have the effect of a vote "AGAINST" the applicable nominee. A broker non-vote will not be treated as entitled to vote on the proposal, and therefore will not have an effect on the election of a nominee.

With respect to the say-on-pay proposal, a vote to "ABSTAIN" will have the effect of a vote "AGAINST" the proposal. A broker non-vote will not be treated as entitled to vote on the proposal, and therefore will not have an effect on the proposal.

With respect to the ratification of the appointment of our independent registered public accounting firm, a vote to "ABSTAIN" will have the effect of a vote "AGAINST" the proposal.

To minimize the number of broker non-votes, the Company encourages you to vote or to provide voting instructions with respect to each proposal to the organization that holds your shares by carefully following the instructions provided.

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time prior to the taking of the vote at the meeting. Prior to the applicable cutoff time, you may change your vote using the Internet or telephone methods described above, in which case only your latest Internet or telephone proxy submitted prior to the meeting will be counted. You may also revoke your proxy and change your vote by signing and returning a new proxy card or voting instruction form dated as of a later date, or by attending the meeting and voting in person. However, your attendance at the meeting will not automatically revoke your proxy unless you properly vote at the meeting or specifically request that your prior proxy be revoked by delivering a written notice of revocation to the Company's Secretary at 1201 Network Centre Drive, Effingham, Illinois 62401, prior to the meeting.

What happens if a nominee is unable to stand for election?

The board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for a substitute nominee. Proxies cannot be voted for more than three nominees. The board has no reason to believe any nominee will be unable to stand for election.

Who will serve as the inspector of election?

A representative of the Company is expected to serve as the inspector of election.

Where do I find the voting results of the meeting?

If available, we will announce voting results at the meeting. The voting results will also be disclosed in a filing we will make with the SEC within four business days after the annual meeting.

Who bears the cost of soliciting proxies?

We will bear the cost of soliciting proxies. In addition to solicitations by mail, officers, directors or employees of the Company or its subsidiaries may solicit proxies in person or by telephone. These persons will not receive any special or additional compensation for soliciting proxies. In addition, we have engaged Georgeson to solicit proxies of institutional investors, for an anticipated cost of $13,500. We may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation material to shareholders.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

We currently have eleven directors serving as our board, a majority of whom we have determined to be "independent," as that term is defined by the rules of the Nasdaq Stock Market. One of our directors, Deborah A. Golden, will retire from our board following the annual meeting, at which point we will have ten directors.

Our board of directors has evaluated the independence of its members based upon the rules of the Nasdaq Stock Market and the SEC. Applying these standards, our board of directors has affirmatively determined that, with the exception of Mr. Ludwig, each of our current directors is an independent director, as defined under the applicable rules. The board determined that Mr. Ludwig does not qualify as an independent director because he is an executive officer of the Company.

Generally, the board oversees our business and monitors the performance of our management. In accordance with our corporate governance procedures, the board does not involve itself in the day-to-day operations of the Company, which are monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the full board, with additional special meetings held from time to time. Our directors also discuss business and other matters with Mr. Ludwig, other key executives and our principal external advisers (legal counsel, auditors and other consultants) at times other than regularly scheduled meetings when appropriate.

The board held eleven regularly scheduled and special meetings during 2023. In 2024, the full board intends to hold eight regularly scheduled meetings with special meetings held from time to time when necessary and through committee membership, which is discussed below. During 2023, all directors attended at least 75 percent of the meetings of the board and the committees on which they served. Although we do not have a formal policy regarding director attendance at the annual meeting of shareholders, we encourage and expect all of our directors to attend. Last year, each of our current directors serving at that time was present at the annual meeting of shareholders.

Committees of the Board of Directors

Our board of directors has established standing committees in connection with the discharge of its responsibilities. These committees include the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Risk Policy & Compliance Committee and Executive Committee. Our board of directors also may establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our articles and bylaws.

The current charters of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are available on the Company's website at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights." The table below shows the current membership of each of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee:

Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Jeffrey C. Smith		X	X
Jeffrey G. Ludwig			
R. Dean Bingham			
Gerald J. Carlson			
Jennifer L. DiMotta			X
Sherina M. Edwards			
Deborah A. Golden		Chair	X
Jerry L. McDaniel	X		Chair
Jeffrey M. McDonnell	X		
Richard T. Ramos	Chair	X	
Robert F. Schultz			
Meetings Held in 2023	8	4	4

Audit Committee. Our Audit Committee currently consists of Richard T. Ramos (Chair), Jerry L. McDaniel, and Jeffrey M. McDonnell. Our board of directors has evaluated the independence of the members of our Audit Committee and has affirmatively determined that: (i) each of the members of our Audit Committee meets the definition of "independent director" under Nasdaq Stock Market rules; (ii) each of the members satisfies the additional independence standards under Nasdaq Stock Market rules and applicable SEC rules for audit committee service; and (iii) each of the members has the ability to read and understand fundamental financial statements. In addition, our board of directors has determined that Mr. Ramos has the required financial sophistication due to his experience and background, which Nasdaq Stock Market rules require at least one such Audit Committee member have. Our board has determined that Mr. Ramos also qualifies as an "audit committee financial expert," as that term is defined under applicable SEC rules.

Our Audit Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The current charter of the Audit Committee is available on our website at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights." As described in its charter, our Audit Committee has responsibility for, among other things:

- selecting and reviewing the independence, qualifications and performance of our independent auditors and approving, in advance, all engagements and fee arrangements;
- reviewing on a quarterly basis a summary of findings from completed internal audits, and a progress report on the proposed internal audit plans, with explanations for any deviations from the original plan as well as disposition of audit recommendations;
- reviewing and discussing with management, the internal auditors and the independent auditors the effectiveness of our system of internal control and internal audit procedures;
- reviewing and discussing with management and the independent auditor the annual audited and quarterly unaudited financial statements, including disclosures made in management's discussion and analysis, earnings press releases and any earnings guidance provided to analysts and rating agencies, prior to the release of quarterly and annual earnings results;
- discussing with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies;
- reviewing and approving all material related party transactions; and
- handling such other matters that are specifically delegated to the Audit Committee by our board of directors from time to time.

Our Audit Committee also administers the Company's Clawback Policy, which provides for the recovery of certain performance-based compensation under certain circumstances involving an accounting restatement, under authority delegated to it by our board of directors.

Compensation Committee. Our Compensation Committee currently consists of Deborah A. Golden (Chair), Richard T. Ramos, and Jeffrey C. Smith. Our board of directors has evaluated the independence of the members of our Compensation Committee and has affirmatively determined that each of the members of our Compensation Committee is "independent" under Nasdaq Stock Market rules and also satisfies the additional independence standards under Nasdaq Stock Market rules for compensation committee service.

Our Compensation Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The current charter of the Compensation Committee is available on our website at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights." As described in its charter, our Compensation Committee has responsibility for, among other things:

- reviewing, monitoring and approving our overall compensation structure, policies and programs (including benefit plans) and assessing whether the compensation structure establishes appropriate incentives for our executive officers and other employees and meets our corporate objectives;
- determining the annual compensation of our Chief Executive Officer;

- reviewing the compensation decisions made by our Chief Executive Officer with respect to our other named executive officers;
- overseeing the administration of our equity plans and other incentive compensation plans and programs and preparing recommendations and periodic reports to our board of directors relating to these matters;
- reviewing the management succession plans of the Company;
- determining whether to retain or obtain the advice of a compensation consultant, legal counsel or other adviser and to oversee the appointment, compensation and work of any such adviser; and
- handling such other matters that are specifically delegated to the Compensation Committee by our board of directors from time to time.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee currently consists of Jerry L. McDaniel (Chair), Jeffrey C. Smith, Jennifer L. DiMotta and Deborah A. Golden. Our board of directors has evaluated the independence of the members of our Nominating and Corporate Governance Committee and has affirmatively determined that each of the members of our Nominating and Corporate Governance Committee is "independent" under Nasdaq Stock Market rules.

Our Nominating and Corporate Governance Committee has adopted a written charter, which sets forth the committee's duties and responsibilities. The current charter of the Nominating and Corporate Governance Committee is available on our website at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights." As described in its charter, our Nominating and Corporate Governance Committee has responsibility for, among other things:

- identifying qualified individuals to serve as directors of the Company and recommending to the Company's board of directors the nomination or appointment of such individuals;
- monitoring the functioning of our standing committees and recommending any changes with respect to the assignment of individual directors to such committees;
- developing, reviewing and monitoring compliance with our corporate governance guidelines;
- reviewing annually the composition of our board of directors as a whole and making recommendations; and
- handling such other matters that are specifically delegated to the Nominating and Corporate Governance Committee by our board of directors from time to time.

Our Nominating and Corporate Governance Committee strives to recommend candidates for director positions who will create a collective membership on the board of directors with varied experience and perspective and who maintain a board that reflects diversity, including but not limited to gender, ethnicity, background, country of citizenship and experience.

In carrying out its nominating functions, the Nominating and Corporate Governance Committee has developed qualification criteria for all potential director nominees, including incumbent directors, board nominees and shareholder nominees included in the proxy statement. These criteria include the following attributes:

- the highest personal and professional ethics, integrity and values;
- sufficient educational and professional experience, business experience or comparable service on other boards of directors to qualify the nominee for service to the board;
- exemplary management and communication skills;
- contribution to the board's goals of having a diverse range of backgrounds, views, experiences, talents and skills in the boardroom;
- evidence of effective leadership and sound judgment in the nominee's professional life;
- a willingness to meet the standards and duties set forth in the Company's Code of Business Conduct and Ethics; and

- a willingness and ability to devote sufficient time to carrying out the duties and responsibilities required of a board member, and a commitment to serving on the board for an extended period of time.

The committee also evaluates potential nominees to determine if they have any conflicts of interest that may interfere with their ability to serve as effective board members and to determine whether they are "independent" in accordance with Nasdaq Stock Market rules to ensure that, at all times, at least a majority of our directors are independent. Our Nominating and Corporate Governance Committee evaluates all candidates in the same way, reviewing the aforementioned factors, among others, regardless of the source of such candidates, including shareholder recommendations. Because of this, there is no separate policy with regard to the consideration of candidates recommended by shareholders.

Prior to nominating an existing director for re-election to the board, the committee will consider and review the following attributes with respect to each existing director:

- board and committee attendance and performance;
- length of board service;
- experience, skills and contributions that the existing director brings to the board;
- independence and any conflicts of interest; and
- any significant change in the director's professional status or work experience, including the attributes considered for initial board membership.

Shareholder Communication with the Board, Nomination and Proposal Procedures

General Communications with the Board. Shareholders may contact our board of directors by contacting Douglas J. Tucker, Secretary, Midland States Bancorp, Inc. at 1201 Network Centre Drive, Effingham, Illinois 62401 or (217) 342-7321.

Nominations of Directors. In accordance with our bylaws, a shareholder may nominate a director for election at an annual meeting of shareholders by delivering written notice of the nomination to our Secretary, at the above address, not less than 90 days nor more than 120 days prior to the annual meeting. However, if less than 100 days' notice or prior public disclosure of the date of the annual meeting is given to shareholders, then written notice of the nomination must be delivered to our Secretary no later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

We anticipate holding our 2025 annual meeting of shareholders on May 5, 2025. As a result, notice of nominations for directors to be elected at the 2025 annual meeting of shareholders must be delivered to our Secretary no earlier than January 5, 2025, and no later than February 4, 2025. The shareholder's notice to the Secretary must include: (a) the name and address of record of the nominating shareholder; (b) a representation that the nominating shareholder is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the persons specified in the notice; (c) the name, age, business and residence addresses, and principal occupation or employment of each nominee; (d) a description of all arrangements or understandings between the nominating shareholder and each nominee and any other person (naming such person) pursuant to which the nominations are to be made by the nominating shareholder; (e) such other information regarding each nominee proposed by such nominating shareholder as is required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, as in effect; and (f) the consent of each nominee to serve as a director of the Company if so elected. Persons nominated for election to the board pursuant to this paragraph will not be included in our proxy statement, unless they are also submitted in accordance with the requirements described under "Other Shareholder Proposals," below.

Other Shareholder Proposals. To be considered for inclusion in our proxy statement and form of proxy for our 2025 annual meeting of shareholders, shareholder proposals must be received by our Secretary, at the above address, no later than November 25, 2024, and must otherwise comply with the notice and other provisions of our bylaws, as well as SEC rules and regulations.

For proposals to be otherwise brought by a shareholder and voted upon at an annual meeting, the shareholder must file written notice of the proposal to our Secretary not less than 90 days nor more than 120 days prior to the annual meeting. However, that if less than 100 days' notice of the date of the annual meeting is given to shareholders, then written notice of the proposal must be delivered to our Secretary no later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed to shareholders.

We anticipate holding our 2025 annual meeting of shareholders on May 5, 2025. As a result, notice of shareholder proposals to be brought at the 2025 annual meeting of shareholders must be delivered to our Secretary no earlier than January 5, 2025, and no later than February 4, 2025. The shareholder's notice to the Secretary must include: (a) a brief description of the proposal desired to be brought before the meeting and the reasons for conducting such business at the meeting; (b) the name and address, as they appear on the Company's books, of the shareholder proposing such business; (c) the number of shares of the Company's common stock beneficially owned by such shareholder on the date of such shareholder's notice; and (d) any financial or other interest of such shareholder in the proposal.

Board Leadership Structure

We currently have separate individuals serving as Chairman of our board of directors and as our Chief Executive Officer. Mr. Jeffrey C. Smith serves as Chairman, and Mr. Jeffrey G. Ludwig holds the position of Chief Executive Officer.

Although our bylaws do not require our Chairman and Chief Executive Officer positions to be separate, our board believes that having separate positions and having a non-executive director serve as Chairman is the appropriate leadership structure for the Company at this time and demonstrates our commitment to good corporate governance. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman to lead the board in its fundamental role of providing advice to and independent oversight of management. In addition, we believe this leadership structure allows our board to more effectively monitor and evaluate the performance of our Chief Executive Officer.

Independent Director Sessions

Consistent with Nasdaq Stock Market listing requirements, the independent directors regularly meet without the non-independent directors present. In 2023, nine independent sessions were held.

Board's Role in Risk Oversight

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including general economic risks, credit risks, regulatory risks, audit risks, reputational risks and others, such as the impact of competition. Management is responsible for the day-to-day management of risks the Company faces, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the board of directors has the responsibility that the risk management processes designed and implemented by management are adequate and functioning as designed.

While the full board of directors is charged with ultimate oversight responsibility for risk management, various committees of the board and members of management also have responsibilities with respect to our risk oversight. In particular, the Risk Policy & Compliance Committee plays a large role in monitoring and assessing our financial, legal, and organizational risks and receives regular reports from the management team regarding comprehensive organizational risk as well as particular areas of concern. The board's Compensation Committee monitors and assesses the various risks associated with compensation policies and oversees incentives that encourage a level of risk-taking consistent with our overall strategy. The board's Asset/Liability Committee monitors and assesses interest rate risk exposure in the coordinated management of both assets and liabilities. Additionally, our Chief Credit Officer and loan review staff are directly responsible for overseeing our credit risk, and the Director Credit Risk Committee of the Bank's board of directors oversees the credit risk for large loans, monitors portfolio credit metrics and approves credit risk policy changes.

We believe that establishing the right "tone at the top" and providing for full and open communication between management and our board of directors are essential for effective risk management and oversight. Our executive management meets regularly with our other senior officers to discuss strategy and risks facing the company, including through meetings of its Senior Risk Committee. Executive officers attend many of the board meetings or, if not in attendance, are available to address any questions or concerns raised by the board on risk-management-related and any other matters. Additionally, each of our board-level committees provides regular reports to the full board and apprises of any areas of concern.

Compensation Committee Interlocks and Insider Participation

During 2023, Deborah A. Golden, Richard T. Ramos and Jeffrey C. Smith served on our Compensation Committee. None of the members of our Compensation Committee will be or has been an officer or employee of the Company. None of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation Committee.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics in place that applies to all of our directors and employees. The code sets forth the standard of ethics that we expect all of our directors and employees to follow. Our code of business conduct and ethics is available on our website at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights." In accordance with SEC rules, we intend to disclose on the "Investors" section of our website any amendments to the code, or any waivers of its requirements, that apply to our executive officers to the extent such disclosure is required.

Insider Trading Policy and Anti-Hedging Policy

We have adopted insider trading policies and procedures governing the purchase, sale or other dispositions of our securities by our directors, officers and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and the listing standards of the Nasdaq Stock Market.

In addition, our insider trading policy prohibits our directors, executive officers and employees from entering into any hedging transaction with respect to any of the Company's securities. This prohibition includes the purchase or use of stock options, prepaid variable forward contracts, equity swaps, collars, exchange funds or any other instruments to directly offset any decrease in the market value of the Company's securities. However, this prohibition does not apply to positions in broad-based exchange-traded mutual funds or exchange-traded funds containing stocks in the financial or banking sector.

Board Diversity

The following table summarizes our directors' self-identified diversity characteristics as of the dates indicated.

Board Diversity Matrix

	As of March 25, 2024		As of March 20, 2023	
Total Number of Directors	11		11	
	Female	Male	Female	Male
Part I: Gender Identity				
Directors	3	8	3	8
Part II: Demographic Background				
African American or Black	1	—	1	1
Hispanic or Latino	—	1	—	1
White	2	7	2	6

Director Compensation

The following table sets forth information regarding 2023 compensation for each of our nonemployee directors. None of the directors receive any compensation or other payment in connection with his or her service as a director other than compensation received from the Company as set forth below.

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards[1] ($) (c)	Total ($) (h)
R. Dean Bingham	48,000	40,000	88,000
Gerald J. Carlson[2]	—	—	—
Jennifer L. DiMotta	38,000	40,000	78,000
Sherina M. Edwards	38,000	40,000	78,000
Deborah A. Golden	45,000	40,000	85,000
Jerry L. McDaniel	46,000	40,000	86,000
Jeffrey M. McDonnell	36,000	40,000	76,000
Dwight A. Miller[3]	38,000	—	38,000
Richard T. Ramos	56,000	40,000	96,000
Robert F. Schultz	58,000	40,000	98,000
Jeffrey C. Smith	89,000	40,000	129,000

(1) The amounts set forth in the "Stock Awards" column reflect the aggregate grant date fair value of restricted stock units granted in 2023 in accordance with FASB ASC Topic 718. The amounts shown are based on a fair market value of $19.91 for awards granted on June 30, 2023. Each of our directors, aside from Mr. Ludwig, received a grant of restricted stock units on June 30, 2023, which will vest on March 31, 2024 subject to continued service on the board. The aggregate number of restricted stock units held by each nonemployee director as of December 31, 2023 was as follows:

R. Dean Bingham — 2,009 restricted stock units
Jennifer L. DiMotta — 2,009 restricted stock units
Sherina M. Edwards — 2,009 restricted stock units
Deborah A. Golden — 2,009 restricted stock units
Jerry L. McDaniel — 2,009 restricted stock units
Jeffrey M. McDonnell — 2,009 restricted stock units
Richard T. Ramos — 2,009 restricted stock units
Robert F. Schultz — 2,009 restricted stock units
Jeffrey C. Smith — 2,009 restricted stock units

(2) Mr. Carlson was appointed to the Company's board of directors on February 6, 2024.

(3) Mr. Miller retired from the Company's board of directors on May 1, 2023.

Under our director compensation policy, nonemployee directors are provided with cash compensation and an annual equity award.

Cash Compensation. Each nonemployee director receives a $30,000 annual retainer, except that the Chairman of the board is entitled to an annual retainer of $60,000. Company board committee chairs and members are also entitled to a fee for such service as follows (respectively):

- Audit Committee: $15,000/$6,000
- Risk Policy & Compliance Committee: $10,000/$5,000
- Nominating and Governance Committee: $10,000/$5,000
- Compensation Committee: $10,000/$6,000

In addition to the foregoing, any nonemployee director serving on the Director Credit Risk Committee is entitled to an additional annual fee of $18,000, and any such director serving on the trust committee of the Bank board is entitled to an additional annual fee of $3,000.

Equity Compensation. Each nonemployee director is also entitled to an annual equity award with a grant date value of $40,000. The equity award is granted on June 30 of each year and is scheduled to vest on March 31 of the following year.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE PROGRAM (ESG)

Environmental

Our environmental initiatives pertain to our internal business operations and our Bank's lending activities.

Facilities

- We have installed solar power in 22 Midland locations.
- Our corporate headquarters, built in 2011, is LEED (Silver) Certified.
- We have made more than $50 million of credit available for residential and commercial solar projects since 2011.

Paper Reduction

- More than 50% of our customers use paperless statements and we have had a paper elimination program in place since 2010.

Social

We strive to further the financial success of the families and small-medium sized/minority owned businesses in our markets by offering fair products and services supported by financial education and other measures.

Our Community Impact Investment goals (available at www.midlandsb.com/community) as well as our Community Development Plan (CDP) (available at www.midlandsb.com/community-development-plan) are designed to ensure we serve as a catalyst for community development in our neighborhoods.

We strive to safekeep our customer's information and help them reduce the chance of identity theft and online fraud.

Community Impact

- We have been serving families and businesses since 1881, offering products and services based on the needs of our customers.
- We work with more than 200 community organizations to ensure we address the needs of each of our markets in the areas of lending, investments, philanthropy, products, community engagement, and inclusion.
- The Midland Institute CEO program, a unique year-long program designed to teach entrepreneurship to high school students, was created in 2010. As of 2023, 70 programs serving 330 schools utilize this powerful program for energizing tomorrow's business leaders.

Culture and People

- Since 2008, Midland has provided all employees with personal and professional development training.
- Midland's Advanced Study for Talent Enrichment and Resource Training (MASTERS) program serves to develop future leaders of the Company. To date 68% of participants have been women or minority employees.
- In April 2020, Midland established the Diversity & Inclusion Council. This council, now known as the Council of Belonging, continues to actively contribute to our Company culture, reinforcing our commitment to diversity, inclusion and belonging for all employees.
- Midland offers employees paid time off to contribute their time and talents to recognized charities, causes, or not-for-profit community organizations.

Philanthropy

- Since its creation in 2011, the Midland States Bank Foundation has contributed more than $1.8 million to non-profit organizations throughout Midland's footprint. The Foundation seeks to align contributions with Midland's Community Impact focus: education, work force development, financial empowerment, housing, small business development and health & wellness. Priority is given to programs or organizations that focus on low- to moderate-income populations.

Financial Education

- In 2023, we provided over 600 volunteer hours specific to financial empowerment seminars in our communities.
- Since 2015 we have held more than 450 financial literacy seminars benefiting low to moderate income or minority neighborhoods in our footprint.

Community Development and Financial Inclusion

- Through our Believable Banking® Residential Mortgage and Home Improvement programs we have made $123.5 million of loans to families underserved by traditional loan programs.
- Our banking products and services are offered through our personal bankers, online with materials clearly describing the features, costs and alternatives available, and by dual-language materials in our branches and our ADA compliant website.

Governance

Midland has a long history of effective corporate governance, inclusiveness and providing opportunities for personal and professional development for all employees.

Our Executive Compensation program is designed to reward growth oriented results without exceeding proper credit and other risk tolerances for a community-focused banking organization. For example, under our executive compensation program we do not provide tax gross-ups, we do not include walk-away severance payments or single-trigger cash payments upon a change of control, we do not provide single-trigger vesting of equity awards in change of control transactions for awards granted during 2020 and thereafter under our 2019 Long-Term Incentive Plan, and we do not reprice equity awards without prior shareholder approval.

Midland has adopted a Clawback Policy that requires the recoupment of certain cash and equity performance-based compensation paid to or deferred by certain executives in the event the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the federal securities laws and the compensation would not have been awarded under the restated financial information.

Reputation and Ethics

- Midland States Bank was one of the first banks in the nation to have a woman on its board (1903).
- Our board includes female, Hispanic and African American representation and has since before becoming a publicly traded company in 2016.
- Our Code of Business Conduct and Ethics is available at investors.midlandsb.com.

Oversight of Strategy and Risk Management

- The Company's Chair and CEO roles have been separate since the Company's inception (1988).
- All directors, except our CEO, are "independent" pursuant to applicable SEC/NASDAQ rules.
- Our board of directors has established a Risk and Compliance Committee to oversee all aspects of risk and compliance management across our enterprise.

- Consistent with COSO's 2017 Enterprise-Wide Risk Management (ERM) Framework, our ERM program employs business process risk ownership and the "three lines of defense" model. The primary objectives of our ERM framework are to:
  - Maintain sufficient liquidity given our funding requirements;
  - Identify, measure, monitor and report market, credit and operational risks;
  - Promote awareness of emerging risks among all employees, managers and directors; and
  - Manage avoidable exposures through a robust framework of internal controls.

Data Security & Privacy

- We utilize data security programs and a privacy policy under which we do not sell or share customer information with non- affiliated entities.

Executive Compensation

- Our executive compensation, including all performance related compensation, is evaluated annually by Risk Management to ensure consistency with Federal Reserve Safety and Soundness requirements, and the Interagency Guidance on Sound Incentive Compensation Policies issued jointly by the federal regulatory agencies.
- All cash and equity incentive programs for executive officers include performance metrics and/or four-year vesting periods.

The information contained or referenced in this section of this proxy statement shall not be considered "filed" with the SEC, and such information shall not be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this section of this proxy statement by reference in such filing.

PROPOSAL 1 — ELECTION OF DIRECTORS

At the annual meeting, our shareholders will elect three Class II directors for a term expiring at the 2027 annual meeting of shareholders. The Company's directors are divided into three classes having staggered terms of three years. As described further below, each of the three nominees for election as Class II directors is an incumbent director. Each nominee has consented to being a nominee and serving on the board, if elected, but if any of the nominees becomes unavailable for election, the holders of the proxies may vote for another nominee when voting at the meeting. Shareholders of the Company have no cumulative voting rights with respect to the election of directors.

Set forth below is information concerning the nominees for election and for the other directors whose terms of office will continue after the meeting.

The board of directors unanimously recommends that you vote "FOR" each of the nominees for director.

Nominees for Election

	Name	Age	Position with the Company	Director Since
Class II Term expires 2027	Gerald J. Carlson	65	Director	2024
	Sherina M. Edwards	40	Director	2022
	Robert F. Schultz	59	Director	2002

Continuing Directors

	Name	Age	Position with the Company	Director Since
Class I Term expires 2026	Jennifer L. DiMotta	50	Director	2018
	Jeffrey G. Ludwig	52	President, Chief Executive Officer and Director	2019
	Richard T. Ramos	61	Director	2012
	Jeffrey C. Smith	62	Chairman of the Board	2005
Class III Term expires 2025	R. Dean Bingham	59	Director	2020
	Jerry L. McDaniel	59	Director	2012
	Jeffrey M. McDonnell	60	Director	2015

Each of our continuing directors listed above and, if elected, each of the nominees listed above, will hold office until the annual meeting of shareholders in the year indicated, or until their earlier resignation or removal. There are no arrangements or understandings with any of the nominees pursuant to which they have been selected as nominees or directors.

The business experience of each nominee and continuing director, as well as their qualifications to serve on the board, is set forth below. Unless otherwise noted, nominees for director have been employed in their principal occupation with the same organization for at least the last five years. Other than as described below, no nominee, continuing director or executive officer has any family relationship, as defined in Item 401 of Regulation S-K, with any other director or with any of our executive officers.

Jeffrey C. Smith

Background. Mr. Smith serves as the Chairman of the Company, a position he has held since 2020, and as Chair of our Nominating and Corporate Governance Committee. He is a Principal and Managing Partner of Walters Golf Management, a golf club management company headquartered in St. Louis, Missouri, which manages a number of properties and offers turnkey management, construction management, acquisition, consulting, agronomics and remodeling/redecorating services. The company also has a revenue management business assisting facilities to improve annual green fee income through innovative software systems and methodologies. He has been with Walters Golf Management Group since 1996 and also serves on two not-for-profit philanthropic boards, The Greater St. Louis Golf Charities, and the Metropolitan Gold Foundation. Mr. Smith received his B.S. in Education from the University of Missouri.

Skills and Qualifications. Our board considered Mr. Smith's business experience, his management experience as the managing partner of a business and his knowledge of the business community in our St. Louis market area in determining that he should be a member of our board.

Jeffrey G. Ludwig

Background. Mr. Ludwig serves as President and Chief Executive Officer of the Company, positions he has held since March 2018 and January 2019, respectively, and as Chief Executive Officer of the Bank since March 2018. Prior to those appointments, Mr. Ludwig served as Executive Vice President of the Company and the Bank since 2010, and also as Chief Financial Officer of the Company and the Bank from November 2006, when he joined the Company and the Bank, through November 2016 and from October 2017 until March 2018. Mr. Ludwig also previously served as President of the Bank from November 2016 until he was promoted to Chief Executive Officer of the Bank in March 2018. He serves on the Company's Executive Committee. Prior to joining the Company, Mr. Ludwig held the positions of Associate Director, Corporate Reporting, for Zimmer Holdings, Inc., an NYSE-listed company in Warsaw, Indiana, from 2005 to 2006; Director of Corporate Accounting for Novellus Systems, Inc., a Nasdaq-listed company in San Jose, California, from 2002 to 2005; and various positions, including Senior Manager — Audit & Advisory Services, for KPMG LLP in its banking practice in St. Louis, Missouri, from 1993 to 2000 and in its technology practice in Mountain View, California, from 2000 to 2002. In addition to his positions at the Company, Mr. Ludwig serves as a member of the Federal Advisory Council of the Board of Governors of the Federal Reserve System. Mr. Ludwig received his B.S. in Accounting from Eastern Illinois University.

Skills and Qualifications. Our board considered Mr. Ludwig's positions as President and Chief Executive Officer of the Company, his experience in executive officer roles within the Bank, and his long-standing relationships within the business community in determining that he should be a member of our board.

R. Dean Bingham

Background. Mr. Bingham has served on the board of directors of the Bank since 2018 and joined the board of directors of the Company in 2020. Since 1994, Mr. Bingham has served as President, and then Chief Executive Officer of Agracel, Inc., an industrial developer of facilities for manufacturing and high-tech entities in small to midsized communities. Throughout his career, Mr. Bingham has been directly involved with the development of over 25 million square feet of industrial projects on long term leases, focused primarily in tertiary markets with an emphasis on manufacturing. Mr. Bingham received his B.S. in Industrial Engineering from the University of Illinois.

Skills and Qualifications. Our board considered Mr. Bingham's business experience, his management experience as the President of a business and his knowledge of the business communities in determining that he should be a member of our board.

Gerald J. Carlson

Background. Mr. Carlson joined the Company's board of directors in February 2024. He previously served as Managing Partner of KPMG for the firm's Washington, D.C. metropolitan and Chesapeake regions, a position he held from 2013 until his retirement in 2019. Prior to that, Mr. Carlson served as Managing Partner of KPMG's St. Louis office, which position he held since 2008. Throughout his career, Mr. Carlson served as an audit partner and advisor to private and publicly held clients, including a number of Fortune 500 companies. As a Managing Partner of KPMG, Mr. Carlson was responsible for leading a culture of ethics and integrity, developing marketplace strategies for growth, overseeing high-quality client service, attracting and retaining key resources and representing KPMG in the marketplace. Mr. Carlson has served on the boards of many organizations, including currently serving on the boards of two private equity backed companies, the Greater Rivers Greenway Foundation, Connected DMV, and the Dean's Advisory Board of the Robert S. Trulaske School of Business at the University of Missouri — Columbia. He previously served on the boards of the Greater Washington Board of Trade, the Regional Business Council, and Catholic Charities of the Archdiocese of St. Louis, among others. Mr. Carlson holds a B.A. in Accounting and a Master's Degree in Accounting from University of Missouri — Columbia.

Skills and Qualifications. Our board considered Mr. Carlson's business and leadership experience as a managing partner of a professional services and audit firm, his experience with both public and private sectors, his knowledge of corporate governance and his accounting experience in determining that he should be a member of our board.

Jennifer L. DiMotta

Background. Mrs. DiMotta serves as the Chief Digital Officer at Rush Recommerce, LLC. In addition, she is President of DiMotta International LLC (DI), an international consulting firm focusing on digital transformation, leadership training and building aggressive sales growth, a position she has held since 2020. Prior to DI, she served as Executive Vice President and Chief Marketing Digital Officer of MediaMarktSaturn, Europe's largest consumer electronics retailer, from 2019 to 2020. Prior to joining MediaMarkt in 2019, she was President of DiMotta Consulting LLC, a strategic eCommerce and digital marketing consulting firm, which she founded in 2017. Prior to launching her consulting business, Mrs. DiMotta served as Vice President Digital and Omnichannel of Bluemercury Inc., a cosmetics retailer, beginning in 2015, as Vice President eCommerce of Sports Authority, Inc., a sporting goods retailer, beginning in 2013, and as Senior Director of eCommerce of Office Depot, beginning in 2012, where she was responsible for developing those companies' eCommerce and digital marketing efforts. Mrs. DiMotta holds a B.A. in Criminal Justice from the University of Nebraska, and a Master's Degree in Leadership from Bellevue University.

Skills and Qualifications. Our board considered Mrs. DiMotta's more than 20 years' experience in leadership and management, business development, and information technology, including omnichannel strategies, in determining that she should be a member of our board.

Sherina M. Edwards

Background. Ms. Edwards served as the Chief Strategy Officer of MasTec, Inc., a NYSE-listed infrastructure construction company. Previously, Ms. Edwards served as Chief Executive Officer of INTREN, LLC, a subsidiary of MasTec, from 2020 to 2022, and as a partner at the law firm of Quarles & Brady LLP, from 2018 to 2020. Ms. Edwards is a director of NorthWestern Energy Group, Inc., a Nasdaq-listed electric and natural gas utility company, and of the South West Water Company, and previously served as a director of INTREN from 2017 to 2020. She served as a Commissioner of the Illinois Commerce Commission from 2013 to 2017, and as Co-Chair of the U.S. Department of Transportation's Voluntary Information-sharing System Working Group from 2016 to 2017. Ms. Edwards received a B.A. in Psychology from Spelman College and a J.D. from Howard University School of Law.

Skills and Qualifications. Our board considered Ms. Edwards's business and leadership experience as an executive of a publicly-traded company, her experience with both public and private sectors, and her knowledge of operational strategy in determining that she should be a member of our board.

Jerry L. McDaniel

Background. Mr. McDaniel is President of Superior Fuels, Inc., whose principal business was the wholesale supply of propane and petroleum products prior to the sale of these business lines and which now holds various real estate investments, a position he has held since 2007, and President of Dirtbuster Carwash LLC, which operates carwashes in Southern Illinois and Indiana. In addition to his ownership of these businesses, Mr. McDaniel is a principal in other businesses, including real estate development. Mr. McDaniel is a licensed pilot and previously served on the board of the Southeastern Illinois Community Foundation from 2013 to 2020. Prior to joining our board, Mr. McDaniel served as a director of another local community bank.

Skills and Qualifications. Our board considered Mr. McDaniel's experience in starting and running several local businesses, his broad investment experience and his prior service as a director of a community bank in determining that he should be a member of our board.

Jeffrey M. McDonnell

Background. Mr. McDonnell is Chief Executive Officer of J&J Management Services, Inc., a private management company, a position he has held since 2012, and prior to that as President and Chief Compliance Officer since 1997. He also serves on the board of The Center for Emerging Technologies, a non-profit technology incubator. Prior to Midland's acquisition of Heartland Bank in December 2014, Mr. McDonnell was a director of Heartland Bank and its parent company, Love Savings Holding Company. Mr. McDonnell holds a B.A. in Economics from Princeton University, an M.B.A. from the University of Michigan and a certification as a Chartered Financial Analyst.

Skills and Qualifications. Our board considered Mr. McDonnell's service on the boards of Love Savings Holding Company and Heartland Bank and his other business experience in determining that he should be a member of our board.

Richard T. Ramos

Background. Mr. Ramos, who serves as Chair of our Audit Committee, is Executive Vice President, Chief Financial Officer and board member for Maritz Holdings, Inc., headquartered in St. Louis, Missouri. Maritz specializes in the design and development of incentive, reward and loyalty programs focused on improving workforce quality and customer satisfaction. He has been with Maritz since 2000. Prior to joining Maritz, Mr. Ramos served as Chief Financial Officer for Purcell Tire and Rubber Company, practiced corporate law at the firm of Blumenfeld, Kaplan and Sandweiss in St. Louis, and was a senior manager at KPMG LLP. He received his B.S. in Business Administration from the University of Missouri in St. Louis and his J.D. from St. Louis University School of Law. Mr. Ramos is a Certified Public Accountant (inactive) and a member of the Missouri Bar.

Skills and Qualifications. Our board considered Mr. Ramos's experience as a chief financial officer and board member and his accounting acumen in determining that he should be a member of our board.

Robert F. Schultz

Background. Mr. Schultz serves as Managing Partner of the J.M. Schultz Investment, L.L.C., a private family office. He has been with this organization since 1989. Since 1996, he also has served as Chairman of the Board of Directors of AKRA Builders Inc., a multi-state construction, design-build and project management firm headquartered in Teutopolis, Illinois. Prior to joining the Company's board of directors, he served on the board of directors of Prime Banc Corp. and First National Bank of Dieterich. He also serves as a founding board member of national, state and regional non-profit organizations focused on social services and student education. Mr. Schultz received his B.S. in Finance from the University of Illinois and a J.D. from the University of Notre Dame Law School.

Skills and Qualifications. Our board considered Mr. Schultz's business and investment experience, his experience as a director of other community banks, and his knowledge of the business community in our central Illinois market area in determining that he should be a member of our board.

The business experience for each of our executive officers not discussed above is as follows:

Jeffrey S. Mefford. Mr. Mefford, age 58, serves as Executive Vice President of the Company and President of the Bank, positions he has held since March 2018. He has been with the Bank since 2003, and prior to his appointment as Executive Vice President of the Company and President of the Bank, he served as the Bank's Executive Vice President — Banking since October 2010. Prior to serving as Executive Vice President — Banking, Mr. Mefford served as the Bank's Illinois Region Market President, responsible for the banking offices in our central Illinois market. Prior to joining the Bank, Mr. Mefford held the position of President and Chief Executive Officer of Farmers State Bank of Camp Point in Camp Point, Illinois, from 2000 to 2003. Mr. Mefford received his B.S. in Business Administration from Illinois College and his M.B.A. from William Woods University.

Eric T. Lemke. Mr. Lemke, age 55, CPA (inactive), serves as Chief Financial Officer of the Company and the Bank, having been promoted to those positions in November 2019. Prior to his appointment as Chief Financial Officer, Mr. Lemke, who has been with the Company since 2018, served as Director of Assurance and Audit. Immediately prior to joining the Company, he was the Chief Financial Officer of Metropolitan Capital Bancorp, Inc. and Metropolitan Capital Bank & Trust, its banking subsidiary, since July 2017. Prior to that he was a partner in the Financial Services Practice of RSM US LLP, having first joined RSM in 1993. Mr. Lemke holds a B.S. in Accounting from Olivet Nazarene University in Bourbonnais, Illinois, and is a member of the American Institute of Certified Public Accountants.

Douglas J. Tucker. Mr. Tucker, age 65, serves as Senior Vice President and Corporate Counsel of the Company and the Bank, positions to which he was appointed in October 2010. Mr. Tucker also serves on the Company's Executive Committee. Prior to joining the Company, Mr. Tucker was a Partner in the Corporate Services Group of Quarles & Brady LLP, having joined that firm in 2004. Mr. Tucker also served as Chair of Quarles & Brady's Chicago Securities Practice, as one of the firm's National Growth Partners, as Chair of the China Law Group and as Managing Partner of the firm's office in Shanghai, China. Mr. Tucker, who has worked with financial institutions for more than 30 years, has been a licensed attorney since 1993 and an Adjunct Professor at the Chicago-Kent Law School from 2002 to 2016. He holds a B.A. in International Relations from Michigan State University and a J.D. from Northwestern University School of Law.

Daniel E. Casey. Mr. Casey, age 52, serves as the Bank's Chief Risk Officer, a position he has held since May 2023. Prior to joining the Bank, Mr. Casey was the Managing Director, Global Head of Credit Portfolio Management (Integrated Supply and Trading) at BP plc from 2009 to 2023. He also held positions at ABN AMRO Bank N.V./ LaSalle Bank, N.A., as Managing Director, Portfolio Strategist and Global Head of Markets (Group Treasury) from 2004 to 2009, and Bank One, N.A. as Director, Credit Portfolio Group from 2002 to 2004. Mr. Casey received his B.S. in Finance from Eastern Illinois University and his M.B.A. from St. Xavier University, Graham School of Management.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion & Analysis ("CD&A") explains our executive compensation program for our named executive officers ("NEOs") listed below. This CD&A also describes the Compensation Committee's process for making pay decisions, as well as its rationale for specific decisions related to the fiscal year ended December 31, 2023.

Name	Position
Jeffrey G. Ludwig	President and Chief Executive Officer
Jeffrey S. Mefford	Executive Vice President and President of the Bank
Eric T. Lemke	Chief Financial Officer
Douglas J. Tucker	Senior Vice President and Corporate Counsel
Daniel E. Casey(1)	Chief Risk Officer of the Bank

(1) On May 3, 2023, the Company announced that James R. Stewart, the Company's Former Senior Vice President and Chief Risk Officer of the Bank, retired effective April 28, 2023. In connection with Mr. Stewart's retirement, the Bank appointed Daniel E. Casey as the Chief Risk Officer of the Bank. Mr. Casey was hired following a national search conducted based on Mr. Stewart's planned retirement.

EXECUTIVE SUMMARY

2023 Compensation Highlights

We compensate our NEOs with a combination of base salary, annual incentive bonuses in cash, annual grants of equity, and other benefits, including perquisites. Each element is designed to achieve a specific purpose and to contribute to a total package that is competitive with similar packages provided by other institutions that compete for the services of individuals like our NEOs. Base salary is an essential component to any market-competitive compensation program. Annual incentives reward the achievement of short-term goals, while long-term incentives having four-year vesting schedules serve as important retention incentives and drive our NEOs to focus on long-term sustainable shareholder value creation.

Based on our performance and consistent with the design of our program, the Compensation Committee made the following executive compensation decisions for fiscal year 2023:

- Base salaries: The Compensation Committee approved base salary increases for 2023 ranging between 3% and 5.2%. See "2023 Executive Compensation Program in Detail" within this CD&A section for more information.
- Annual Incentive Bonus. Based on the circumstances that drove our 2023 performance results, the Compensation Committee approved award payouts at 75% of target under the Company's Corporate Bonus Plan. See "2023 Executive Compensation Program in Detail" within this CD&A section for more information.
- Long-Term Incentives: In light of the challenging macroeconomic factors impacting regional financial institutions in early 2023 and continued overall economic uncertainty, the Compensation Committee returned to its historic practice of granting equity awards using 100% restricted stock.

Compensation Best Practices

Our Compensation Committee considers it important to design our compensation program in accordance with best practices for public companies, while continuing to be able to recruit and retain superior executive talent.

What We Do	What We Do Not Do
• Use performance-based incentives as a significant portion of our NEOs' total compensation • Use peer group benchmarking to inform compensation decisions • Condition short-term incentive-based compensation on key performance metrics (revenue, income and earnings per share) • Condition annual long-term incentives on four-year equal tranche vesting • Have a clawback policy for incentive compensation • Have stock ownership guidelines for executives and directors • Provide for severance payments only upon an involuntary termination of employment where the termination was without cause or for "good reason" (whether or not such termination is in connection with a change in control) • Conduct an annual risk-based assessment of our compensation program	• Provide tax gross-ups • Include walk-away severance payments or single-trigger cash payments upon a change in control • Provide single-trigger vesting of equity awards in change of control transactions for awards granted during 2020 and thereafter under our 2019 Long-Term Incentive Plan • Reprice equity awards without prior shareholder approval • Allow hedging of Company stock

Prior Year's Say-on-Pay Vote

At the Company's 2023 annual meeting of shareholders, the nonbinding, advisory proposal to approve the compensation of certain executive officers received the approval of approximately 96% of the shares having voting power and present at the meeting. The Company, the board of directors and the Compensation Committee pay careful attention to communications received from shareholders regarding executive compensation, including the nonbinding, advisory vote and believe that the vote reflects our shareholders' support of our compensation philosophy and the manner in which we compensate our NEOs. The Compensation Committee generally considered the strong support for the advisory vote on executive compensation as part of its evaluation of the 2023 compensation program.

We will continue to review, evaluate and modify the structure and design of our program to meet its objectives, promote strategic growth, increase value for our shareholders, and maintain a competitive executive compensation package in relation to our peers. Our future compensation plan may depart from historical practices.

WHAT GUIDES OUR PROGRAM

Compensation Philosophy and Objectives

We strive to be among the top performing community banks in the nation. While our operations are primarily located in Illinois and the St. Louis metropolitan area in Missouri, we measure our performance on both a local and national level. Our compensation philosophy reflects this vision and strategy.

We structure our executive compensation program to align compensation with business objectives, to motivate our NEOs to enhance long-term business results (although certain shorter-term results, such as revenue, net income and earnings per share are also targeted), and to enable us to attract talent and retain and reward executive officers who contribute to our financial performance and success. In particular, we do the following:

- use performance-based incentives as a meaningful portion of our NEOs' total compensation while ensuring a sufficient base level salary in both strong and weak economic markets necessary to retain national-level executive talent;

- condition incentive-based compensation on key performance objectives, including annual financial targets, which focus our executive team on sustaining top-level performance of the Company and the Bank and creating long-term value for our shareholders; and
- conduct, through our Risk Management Department, an annual risk-based assessment of our compensation program to help ensure our overall compensation program is designed to incentivize long-term shareholder growth without incentivizing short-term risk taking.

In addition to being motivational tools for our existing executive team, we also structure our compensation packages in view of our recruitment and retention objectives. The Compensation Committee is mindful of the need to compete for national-level executive talent and attract talent to Effingham, Illinois, the location of our corporate headquarters. In this endeavor, one of our challenges has been persuading top-level talent to relocate, often from major metropolitan areas, to Effingham, which is a town of slightly more than 12,000 people situated approximately two hours from St. Louis, Missouri and Indianapolis, Indiana. Therefore, in establishing our compensation program, the Compensation Committee considers the pay practices of our peers as one of many factors in establishing our executive compensation programs but does not set compensation at a specific percentile of our peers. As discussed in more detail below, the Compensation Committee has established a selective group of peers with the assistance of our independent compensation consultant.

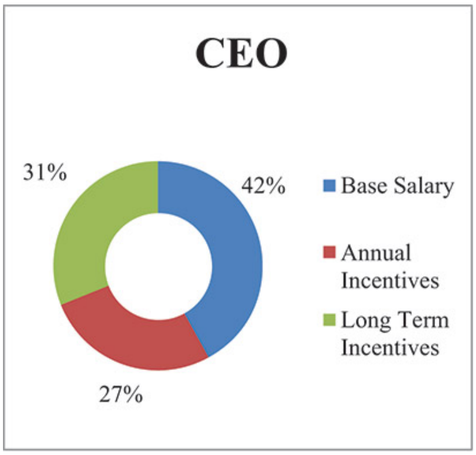
Elements of Compensation

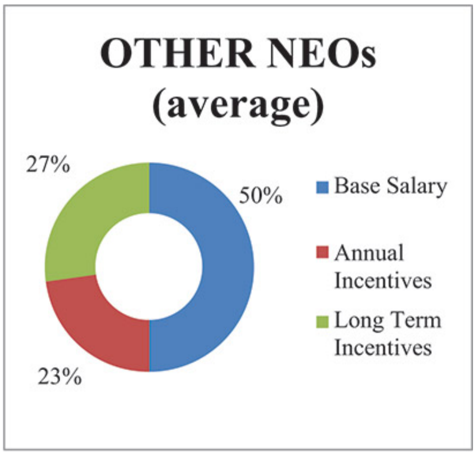
Our compensation philosophy is supported by the following principal elements of compensation:

Pay Element	How It's Paid	Purpose
Base Salary	Cash (Fixed)	Provide a competitive base salary rate relative to similar positions in the market and enable the Company to attract and retain critical executive talent.
Annual Incentives	Cash (Variable)	Reward executive officers for delivering on annual strategic objectives that contribute to the creation of shareholder value.
Long-Term Incentives	Equity (Variable)	Provide incentives for executive officers to execute on longer-term financial goals that drive the creation of shareholder value and support the Company's retention strategy.

Pay Mix

The charts below show the target annual total direct compensation of our CEO and our other NEOs for fiscal 2023. These charts illustrate that a meaningful portion of executive compensation is variable (58% for our CEO and an average of 50% for our other NEOs).





The Decision-Making Process

The Role of the Compensation Committee. The Compensation Committee oversees the executive compensation program for our NEOs. The Compensation Committee is comprised of independent, non-employee members of the Board. The Compensation Committee works very closely with its independent consultant and management to examine the effectiveness of the Company's executive compensation program throughout the year. Details of the Compensation Committee's authority and responsibilities are specified in its charter, which may be accessed at www.midlandsb.com under "Investors — Corporate Governance — Governance Highlights."

Role of Executive Officers. None of our NEOs participates in or makes recommendations with respect to the determination of their own compensation. The Compensation Committee is responsible for all compensation decisions affecting our Chief Executive Officer, and for performance-driven and other determinations of incentive bonuses and equity awards for all our NEOs. Our Chief Executive Officer recommends salary adjustments for the other NEOs, which the Compensation Committee reviews prior to adjustments becoming effective.

Use of Independent Consultants. The Compensation Committee has authority to retain, at the Company's expense, outside counsel, experts, compensation consultants and other advisors, as needed. For 2023, the Compensation Committee retained Pearl Meyer & Partners, LLC as an independent compensation consultant to advise it on compensation matters. Pearl Meyer's specific services to the Compensation Committee have included support in the Compensation Committee's effort to develop an appropriate peer group; review and update, as appropriate, our compensation philosophy; review potential risks associated with our compensation programs; analyze our NEO and director compensation levels, including based on our peer group; and analyze our equity utilization. Pearl Meyer also provides reports to the Compensation Committee on market compensation trends and developments.

In its engagement of Pearl Meyer, the Compensation Committee considered the independence of its compensation advisor under applicable SEC and Nasdaq listing rules and concluded there was no conflict of interest with respect to their engagement.

The Role of Peer Group Companies. The Compensation Committee strives to set a competitive level of total compensation for each NEO as compared with executive officers in similar positions at peer companies.

For the purposes of setting 2023 compensation, the Compensation Committee conducted an in-depth assessment of potential comparators to evaluate the degree to which the current peer group companies appropriately reflect the Bank's current size and scope. The Compensation Committee also took into consideration the broader marketplace to identify appropriate and relevant additions and removals from the current peer group companies. As a result of this review, and with the support of Pearl Meyer, the following changes were made to the peer group companies:

Additions		Removals	
+	FB Financial Corporation	—	First Financial Bankshares, Inc.
+	First Merchants Corporation	—	Independent Bank Corp. (MA)
+	Independent Bank Corporation (MI)	—	NBT Bancorp Inc.
+	Northwest Bancshares, Inc.	—	National Bank Holdings Corporation
+	S&T Bancorp, Inc.	—	Univest Financial Corporation
		—	Washington Trust Bancorp, Inc.
		—	Westamerica Bancorporation

With these changes, the peer group companies for 2023 were as follows:

City Holding Company	First Merchants Corporation	Park National Corporation
Community Trust Bancorp, Inc.	German American Bancorp, Inc.	Peoples Bancorp Inc.
Enterprise Financial Services Corp	Horizon Bancorp, Inc.	QCR Holdings, Inc.
FB Financial Corporation	Independent Bank Corporation (MI)	S&T Bancorp, Inc.
First Bancorp	Lakeland Financial Corporation	Sandy Spring Bancorp, Inc.
First Busey Corporation	Northwest Bancshares, Inc.	Tompkins Financial Corporation
First Commonwealth Financial Corp	Origin Bancorp, Inc.	

It is important to note that this market data is not the sole determinant in setting pay levels for the NEOs. The Compensation Committee also considers Company and individual performance and the nature of an individual's role within the Company, as well as his or her experience and contributions to his or her current role when making its compensation-related decisions.

2023 EXECUTIVE COMPENSATION PROGRAM IN DETAIL

Base Salary

Base salary represents annual fixed compensation and is a standard element of compensation necessary to attract and retain executive leadership talent. The Compensation Committee reviews and approves base salaries of our NEOs and sets the compensation of our Chief Executive Officer. In setting the base salary of each NEO, the Compensation Committee relies on market data provided annually by our independent compensation consultant and survey data from industry resources. Salary levels are typically considered annually as part of our executive compensation review process or upon a promotion or other change in job responsibility.

The table below states the base salaries for our NEOs in 2022 and 2023.

Name	2022 Base Salary	2023 Base Salary	% Increase
Jeffrey G. Ludwig	$700,000	$721,000	3.0%
Jeffrey S. Mefford	450,000	463,500	3.0%
Douglas J. Tucker	380,000	391,400	3.0%
Eric T. Lemke	385,000	405,020	5.2%
Daniel E. Casey	—	325,000	—

Annual Incentive Bonus — Corporate Bonus Plan

The Compensation Committee believes that performance-based compensation can and should incentivize our NEOs to drive the Company's growth, balanced with the assumption of reasonable risk. Accordingly, we account for several performance and risk-based metrics in their annual incentive bonuses.

Annual cash incentive bonuses may be earned in accordance with the terms of the Company's Corporate Bonus Plan (the "Bonus Plan"). Actual payouts depend on the achievement of pre-determined financial performance objectives and can range from 0% to a cap of 150% of target award amounts. Target annual award opportunities are expressed as a percentage of base salary and were established based on the NEO's level of responsibility and their ability to impact overall results. To emphasize corporate performance, 100% of the bonus opportunities available to our NEOs are conditioned on Company performance.

On a year-by-year basis, the Compensation Committee structures the Bonus Plan by selecting and weighting annual financial goals under which bonuses may be earned. In accordance with the weighting assigned by the Compensation Committee, our NEOs are eligible to earn a portion of their target bonuses if the Company attains a sufficient level of performance for a particular metric. If we fail to attain more than

90% of the target performance goal, our NEOs earn no amount of their target bonuses subject to the metric. If we achieve greater than 90% but less than 100% of the target performance goal, our NEOs earn between 50% and 100% of the amount of their target bonuses subject to the metric, with actual payouts determined based on a sliding scale. If we achieve above 100% of a performance goal, the NEOs will earn an increased percentage of the amount of their target bonuses. In addition, annual bonuses are subject to partial reduction or forfeiture if certain risk-based capital and asset quality metrics are not maintained, including specified levels for the Bank's Tier 1 leverage ratio and the Company's ratio of nonperforming assets to total assets. The NEOs may later earn restoration bonuses following a reduction or forfeiture if the Compensation Committee determines that the deficiencies in the risk-based metrics have been timely cured.

Annual incentive bonuses are based on the level of achievement of financial metrics selected by the Compensation Committee for the respective year. The annual incentive bonuses for our NEOs in 2023 were based upon the following aspects of Company performance:

- *Earnings Per Share* — 35% of the annual incentive bonus was based upon achieving a specified earnings per share goal for the year, as adjusted for certain events, including gain on the termination of forward starting swaps and valuation adjustments of MSRs.
- *Pre-Tax, Pre-Provision (PTPP) Income* — 35% of the annual incentive bonus was based upon achieving a specified pre-tax, pre-provision income goal for the year, as adjusted for certain events, including gain on the termination of forward starting swaps and valuation adjustments of MSRs.
- *Revenue* — 30% of the annual incentive bonus was based upon achieving a specified revenue goal for the year, as adjusted for certain events, including gain on the termination of forward starting swaps and valuation adjustments of MSRs.

The table below summarizes the components and results of the Bonus Plan for our NEOs for the 2023 fiscal year.

2023 Metric	Metric Weight	Threshold Goal	Target Goal	Actual Result	Percent Attained	Payout Percentage
Earnings Per Share	35%	$ 3.48	$ 3.87	$ 3.42	88.4%	0%
PTPP Income	35%	$132,953	$147,726	$136,182	92.2%	21%
Revenue	30%	$289,572	$321,747	$310,084	96.4%	24%
Total Payout						**45%**

The Compensation Committee oversees performance throughout the fiscal year, evaluating progress against set objectives, and has the discretion to consider adjustments for exceptional items that may distort the assessment of normal operating performance, such as costs related to restructuring, acquisitions, legal matters, and pandemic-related impacts. These adjustments aim to maintain fairness to both participants and shareholders, while also fostering actions that promote the long-term health of the business and align with predetermined performance goals.

In light of the challenging macroeconomic landscape faced by regional financial institutions in 2023 — including rising interest rates, fallout from bank failures and compressed net interest margins — the Company undertook strategic restructuring efforts. This included the reconfiguration of certain assets, notably consumer credit and equipment financing portfolios. While these actions temporarily impacted earnings per share, PTPP income, and revenue, they are anticipated to enhance franchise value over the long term.

Recognizing the challenging economic conditions and strategic restructuring, the Compensation Committee approved bonus payouts at 75% of the target for the fiscal year. The table below summarizes the annual incentive bonus targets and actual payouts for each NEO for the 2023 fiscal year.

Name	2023 Target % of Salary	Actual Bonus (% of Salary)	Actual Bonus ($)
Jeffrey G. Ludwig	65%	48%	348,731
Jeffrey S. Mefford	60%	45%	206,939
Douglas J. Tucker	40%	30%	116,499
Eric T. Lemke	40%	30%	119,889
Daniel E. Casey	40%	30%	61,875

Long-Term Equity Incentive Awards

The Compensation Committee believes that equity awards serve to align each officer's interests with those of our shareholders. The equity awards held by our NEOs and reflected in the compensation tables below all relate to awards made under our 2019 Long-Term Incentive Plan (the "2019 LTIP") or its predecessor plans.

The Compensation Committee typically grants equity awards to each NEO at the time the individual is hired and, thereafter, on an annual basis as part of our overall executive compensation program. The Compensation Committee grants equity awards to encourage our NEOs to stay with, and maximize the performance of, the Company over the long term and to discourage excessive focus on short term metrics at the expense of the long-term health of the organization.

In light of the challenging macroeconomic factors impacting regional financial institutions in early 2023 and continued overall economic uncertainty, the Compensation Committee returned to its historic practice of granting equity awards using 100% restricted stock as follows:

	Shares of Restricted Stock	Per Share Fair Value	Actual Grant Date Fair Value
Jeffrey G. Ludwig	23,370	$23.14	$540,782
Jeffrey S. Mefford	17,340	$23.14	$401,248
Douglas J. Tucker	8,460	$23.14	$195,764
Eric T. Lemke	8,750	$23.14	$202,475
Daniel E. Casey	2,500	$20.00	$ 50,000
Daniel E. Casey	6,320	$23.14	$146,245

Each grant of restricted stock awards vests annually in equal portions on the first four anniversaries of the grant date, assuming the executive's employment has not previously terminated. Each grant also vests in full upon an involuntary termination in connection with a change in control of the Company or the NEO's termination of employment due to death or disability. Except for Mr. Casey's new-hire restricted stock grant, which has a grant date fair value determined based on a share price of $20.00, the closing price of the Company's common stock as of the trading day immediately prior to the grant date, the grant date fair value of the restricted stock awards in 2023 was determined based on a share price of $23.14, the closing share price of the Company's common stock as of the trading day immediately prior to the date of grant.

OTHER PRACTICES, POLICIES & GUDIELINES

Stock Ownership Guidelines

The Board believes that executive officers and directors of the Company should own and hold MSBI common stock ("MSBI Stock") to further align their interests with the long-term interests of Company shareholders and further promote the Company's commitment to sound corporate governance. Effective January 1, 2024, the guidelines are as follows:

Title	Guideline
CEO	3x base salary
Other Section 16 Officers	2x base salary
Directors	5x cash retainer

Shares owned outright by the executive officer/director or his or her immediate family members residing in the same household; shares held in trust for the benefit of the executive officer/director or his or her immediate family members residing in the same household; vested and unvested restricted stock awards; and vested deferred stock units, restricted stock units or performance share units that may only be settled in shares all count toward meeting the guidelines.

Executives and directors are expected to reach the required ownership level within five years of their appointment or election to their respective roles. Unless an executive or director has satisfied his or her applicable guideline level, until the guideline level is satisfied, they are required to retain an amount equal to 25% of the shares of MSBI Stock (or Net Shares where applicable) received as the result of the exercise, vesting or payment of any MSBI equity awards. The Company will regularly review and report on compliance with these Guidelines, and adjustments to the Guideline Levels may be made as necessary to reflect changes in executive/director compensation or Company performance.

Clawback Policy

On November 6, 2023, our Board adopted a clawback policy in accordance with the listing standards of the Nasdaq Stock Market LLC (Nasdaq), a copy of which is filed as an exhibit to our Annual Report on Form 10-K. The policy requires that we recoup certain cash and equity incentive compensation paid to or deferred by certain executives in the event the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the federal securities laws, and the compensation would not have been awarded under the restated financial information, subject to the other terms and limitations set forth in the policy.

Anti-Hedging Policy

Our insider trading policy prohibits our directors, executive officers and employees from entering into any hedging transaction with respect to any of the Company's securities. See "Corporate Governance and the Board of Directors — Anti-Hedging Policy" for more details.

Benefits and Other Perquisites

The NEOs are eligible to participate in the same benefit plans offered to all of our full-time employees, including health, dental, vision, disability and basic group life insurance coverage. We also provide our employees, including our NEOs, with various retirement benefits. Our retirement plans are designed to assist our employees in planning for retirement and securing appropriate levels of income during retirement. The purpose of our retirement plans is to attract and retain quality employees, including executives, by offering benefit plans similar to those typically offered by our competitors. These plans are described in the "Executive Compensation — Other Compensation Programs" section below.

Regulatory Impact on Compensation

As a publicly traded financial institution, the Company is subject to additional regulatory requirements, most notably, the Interagency Guidelines Establishing Standards for Safety and Soundness (the "Safety and Soundness Standards"). The Federal Deposit Insurance Corporation (the "FDIC") has long held that excessive compensation is prohibited as an unsafe and unsound practice under the Safety and Soundness Standards. In describing a framework to determine whether compensation is excessive, the FDIC has indicated that financial institutions should consider whether aggregate cash amounts paid, or non-cash benefits provided, to employees are unreasonable or disproportionate to the services performed by an employee. The FDIC encourages financial institutions to review an employee's compensation history and to consider internal pay equity, and, as appropriate, to consider benchmarking compensation to peer groups. Finally, the FDIC provides that, in order to give proper context, such an assessment must be made in light of the institution's overall financial condition.

Additionally, the Compensation Committee must also take into account the joint agency Guidance on Sound Incentive Compensation Policies (the "Guidance"), which is intended to complement the Safety and Soundness Standards. The Guidance sets forth a framework for assessing and mitigating risk associated with incentive compensation plans, programs and arrangements maintained by financial institutions.

Other matters, such as accounting, tax and SEC requirements regarding risk assessment are also considered by the Compensation Committee as part of its compensation design and annual decisions.

COMPENSATION COMMITTEE REPORT

We have reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management. Based on our review and discussion with management, we have recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Submitted by:

Deborah A. Golden (Chair)
Richard T. Ramos
Jeffrey C. Smith
Members of the Compensation Committee

EXECUTIVE COMPENSATION

The compensation reported in the Summary Compensation Table below is not necessarily indicative of how we will compensate our NEOs in the future. We will continue to review, evaluate and modify our compensation program to maintain a competitive total compensation package. As such, the compensation program in the future could vary from our historical practices.

Summary Compensation Table

The following table sets forth information regarding the compensation paid, awarded to, or earned for our fiscal years ended December 31, 2023, 2022 and 2021 by each of our NEOs.

Summary Compensation Table

Name and principal position (a)	Year (b)	Salary[1] ($) (c)	Stock Awards[2] ($) (e)	Option Awards[3] ($) (f)	Non-equity Incentive Plan Compensation[4] ($) (g)	All Other Compensation[5] ($) (i)	Total ($) (j)
Jeffrey G. Ludwig	2023	721,000	540,782	—	348,731	23,272	1,633,785
President and Chief Executive Officer	2022	700,000	262,494	257,050	535,816	22,373	1,777,733
	2021	572,000	372,512	—	615,143	21,519	1,581,174
Jeffrey S. Mefford	2023	463,500	401,248	—	206,939	21,540	1,093,227
President of the Bank	2022	450,000	146,244	143,211	318,147	20,687	1,078,289
	2021	400,000	220,438	—	397,080	19,430	1,036,948
Douglas J. Tucker	2023	391,400	195,764	—	116,499	9,900	713,563
Senior Vice President and Corporate Counsel	2022	380,000	95,013	93,026	181,430	9,150	758,619
	2021	354,320	159,762	—	234,489	8,700	757,271
Eric T. Lemke	2023	405,020	202,475	—	119,889	14,815	742,199
Chief Financial Officer	2022	385,000	96,264	94,250	183,319	13,582	772,415
	2021	350,000	140,274	—	223,613	21,635	735,522
Daniel E. Casey[6] *Chief Risk Officer of the Bank*	2023	206,250	196,245	—	61,875	6,312	470,682

(1) The amounts set forth in the "Salary" column reflects base salary earned in each fiscal year, including amounts deferred at the election of the NEO under the Deferred Compensation Plan.

(2) The amounts set forth in the "Stock Awards" column reflect the aggregate grant date fair value of stock awards for the years ended December 31, 2023, 2022 and 2021 in accordance with FASB ASC Topic 718. The restricted stock award amounts are based on fair market values of $23.14, which is the fair market value as of the trading day immediately prior to the grant date, for awards granted on November 6, 2023 and $28.43 and $25.71 for awards granted on October 31, 2022 and November 1, 2021, respectively; *provided*, that for Mr. Casey, with respect to his award granted on May 1, 2023, as described further in the "Grants of Plan-Based Awards Table," such amount is based on a fair market value of $20.00, which is the fair market value as of the trading day immediately prior to the grant date.

(3) The amounts set forth in the "Options Awards" column reflect aggregate grant date fair value of option awards in accordance with FASB ASC Topic 718. The assumptions used in calculating the option award amounts are set forth in Note 15 to our consolidated financial statements as of December 31, 2023.

(4) The amounts set forth in the "Non-equity Incentive Plan Compensation" column reflect annual cash incentive awards earned pursuant to the Bonus Plan, including amounts deferred at the election of the NEO under the Deferred Compensation Plan.

(5) The amounts set forth in the "All Other Compensation" column for the NEOs during the 2023 fiscal year is summarized below.

(6) Mr. Casey was hired as Chief Risk Officer of the Bank on May 1, 2023.

Name	Year	Perquisites[(i)] ($)	Company 401(k) Match[(ii)] ($)	Total "All Other Compensation" ($)
Jeffrey G. Ludwig	2023	13,372	9,900	23,272
Jeffrey S. Mefford	2023	11,640	9,900	21,540
Douglas J. Tucker	2023	—	9,900	9,900
Eric T. Lemke	2023	4,915	9,900	14,815
Daniel E. Casey	2023	—	6,312	6,312

(i) The amounts set forth in the "Perquisites" column for Messrs. Ludwig and Mefford reflect club dues and the use of a Company-owned vehicle. Such amount for Mr. Lemke reflects club dues.

(ii) The amounts set forth in the "Company 401(k) Match" column reflect Company matching contributions under the 401(k) Plan.

Grants of Plan-Based Awards

The following table provides information on incentive compensation and equity grants awarded to our NEOs during 2023. All such grants were made under our 2019 LTIP, which is described in more detail below.

Grants of Plan-Based Awards Table

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(1)]				
Name (a)	Grant Date (b)	Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	All Other Stock Awards: Number of Shares of Stock or Units[(2)] (#) (i)	Grant Date Fair Value of Stock and Option Awards[(3)] ($) (l)
Jeffrey G. Ludwig	—	234,325	468,650	702,975	—	—
	11/06/23	—	—	—	23,370	540,782
Jeffrey S. Mefford	—	139,050	278,100	417,150	—	—
	11/06/23	—	—	—	13,020	301,283
	11/06/23	—	—	—	4,320	99,965
Douglas J. Tucker	—	78,280	156,560	234,840	—	—
	11/06/23	—	—	—	8,460	195,764
Eric T. Lemke	—	81,004	162,008	243,012	—	—
	11/06/23	—	—	—	8,750	202,475
Daniel E. Casey	—	65,000	130,000	195,000	—	—
	05/01/23[(4)]	—	—	—	2,500	50,000
	11/06/23	—	—	—	6,320	146,245

(1) The amounts set forth in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" columns reflect the threshold, target, and maximum payouts for performance under the Bonus Plan, assuming that the respective level of performance is attained for all applicable metrics, and are determined based on base salary, as described in "Compensation Discussion and Analysis — Annual Incentive Bonus — Corporate Bonus Plan." The amount earned by each NEO for 2023 performance is included in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation" and, in the case of Mr. Casey, reflects that his employment commenced on May 1, 2023.

(2) The amounts set forth in the “All Other Stock Awards: Number of Shares of Stock or Units” column reflect restricted stock awards which, except as noted, vest in 25% increments on the first, second, third and fourth anniversary of the date of grant. These restricted stock awards are accelerated and vest in full upon an involuntary termination or cancellation of the awards in connection with a change in control of the Company or upon the participant’s death or disability.

(3) The amounts set forth in the “Grant Date Fair Value of Stock and Option Awards” column reflect the aggregate grant date fair value of restricted stock and option awards in accordance with FASB ASC Topic 718.

(4) This award is a new-hire award made to Mr. Casey when Mr. Casey was hired as Chief Risk Officer of the Bank on May 1, 2023.

Outstanding Equity Awards

The following table provides information for each of our NEOs regarding outstanding stock options and unvested stock awards held by the officers as of December 31, 2023. Market values are presented as of the end of 2023 (based on the market value of our common stock of $27.56 on December 29, 2023 (the last trading day of the year)) for outstanding stock awards, which include 2023 grants and prior-year grants.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options					
Name	Exercisable (#)	Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested[1] (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Jeffrey G. Ludwig	12,753	—	21.00	12/02/24	—	—
	16,800	—	23.00	11/03/25	—	—
	8,383	—	28.59	11/16/26	—	—
	13,073	39,218	28.43	10/31/32	—	—
	—	—	—	—	40,814	1,124,834
Jeffrey S. Mefford	2.961	—	18.00	08/05/24	—	—
	7,885	—	21.00	12/02/24	—	—
	10,702	—	23.00	11/03/25	—	—
	5,341	—	28.59	11/16/26	—	—
	7,283	21,850	28.43	10/31/32	—	—
	—	—	—	—	27,423	755,778
Douglas J. Tucker	3,577	—	21.00	12/02/24	—	—
	11,566	—	23.00	11/03/25	—	—
	5,405	—	28.59	11/16/26	—	—
	4,731	14,193	28.43	10/31/32	—	—
	—	—	—	—	15,477	426,546
Eric T. Lemke	4,793	14,380	28.43	10/31/32	—	—
	—	—	—	—	15,092	415,936
Daniel E. Casey	—	—	—	—	8,820	243,079

(1) All awards in this column that remain subject to vesting vest in 25% increments on the first, second, third and fourth anniversary of the date of grant with the exception of 13,020 shares granted to Mr. Mefford in 2023, which 100% cliff vest on the fourth anniversary of the date of grant. Stock options

and restricted stock awards granted under our 2019 LTIP are accelerated and vest in full upon an involuntary termination or cancellation of the awards in connection with a change in control of the Company or upon the participant's death or disability. All of the outstanding stock options and restricted stock awards shown above granted before May 3, 2019 were granted under our 2010 Long-Term Incentive Plan (the "**2010 LTIP**"). All of the outstanding stock options and restricted stock awards above granted on or after May 3, 2019 were granted under our 2019 LTIP.

Option Exercises and Stock Vested in 2023

The following table sets forth information concerning the exercise of options and vesting of stock awards with respect to each NEO in 2023.

Option Exercises and Stock Vested Table

	Option Awards		Stock Awards	
Name (a)	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise[1] ($) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting ($) (e)
Jeffrey G. Ludwig	9,482	56,702	12,557	280,878
Jeffrey S. Mefford	6,400	33,440	7,350	164,451
Douglas J. Tucker	—	—	5,231	117,093
Eric T. Lemke	—	—	4,384	97,904
Daniel E. Casey	—	—	—	—

(1) Computed by determining the difference between the market value per share of our common stock on the date of exercise and the exercise price.

Nonqualified Deferred Compensation

The following table sets forth information concerning the benefits under the Company's Executive Deferred Compensation Plan as of December 31, 2023.

Nonqualified Deferred Compensation Table

Name (a)	Executive Contributions in Last FY ($) (b)	Registrant Contributions in Last FY ($) (c)	Aggregate Earnings in Last FY[1] ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE[2] ($) (f)
Jeffrey G. Ludwig	—	—	—	—	—
Jeffrey S. Mefford	—	—	—	—	—
Douglas J. Tucker	—	—	39,774	—	793,977
Eric T. Lemke	—	—	—	—	—
Daniel E. Casey	—	—	—	—	—

(1) The "Aggregate Earnings in Last FY" column does not include any amounts that are also reported in the Summary Compensation Table as the Executive Deferred Compensation Plan does not provide for above-market interest.

(2) The "Aggregate Balance at Last FYE" column includes $657,142 reported as compensation in the Summary Compensation Table for Mr. Tucker in prior years.

Potential Payments Upon Termination or Change in Control

The following table sets forth information concerning potential payments and benefits under our compensation programs and benefit plans, including individual employment agreements for Messrs. Ludwig, Mefford, Tucker and Lemke and the change of control agreement for Mr. Casey, pursuant to which the NEOs would be entitled upon various terminations of employment or a change in control as of the last business day of the fiscal year ended December 31, 2023. Except for payments and benefits provided to any NEO by an employment agreement or change of control agreement, all payments and benefits provided to any NEO upon termination of employment are the same as the payments and benefits provided to other eligible employees of the Company. For purposes of estimating the value of accelerated vesting of equity awards we have assumed a price per share of our common stock of $27.56 based on the market value of our common stock on December 29, 2023 (the last trading day of the year).

Potential Payments Upon Termination or Change in Control Table

Name	Cash Severance Payments(1) ($)	COBRA Continuation(2) ($)	Accelerated Vesting of Equity Awards(3) ($)	Total Payments ($)
Jeffrey G. Ludwig				
Involuntary Termination (not in connection with a change in control)(4)	1,177,876	28,761	—	1,206,637
Involuntary Termination (in connection with a change in control)(5)	3,533,629	86,282	1,124,834	4,744,745
Death or Disability	—	—	1,124,834	1,124,834
Jeffrey S. Mefford				
Involuntary Termination (not in connection with a change in control)(4)	231,750	—	—	231,750
Involuntary Termination (in connection with a change in control)(5)	1,506,618	—	755,778	2,262,396
Death or Disability	—	—	755,778	755,778
Douglas J. Tucker				
Involuntary Termination (not in connection with a change in control)(4)	280,374	17,512	—	297,886
Involuntary Termination (in connection with a change in control)(5)	1,121,495	35,024	426,546	1,583,065
Death or Disability	—	—	426,546	426,546
Eric T. Lemke				
Involuntary Termination (not in connection with a change in control)(4)	124,622	28,718	—	153,340
Involuntary Termination (in connection with a change in control)(5)	1,134,195	57,436	415,936	1,607,567
Death or Disability	—	—	415,936	415,936
Daniel E. Casey				
Involuntary Termination (not in connection with a change in control)(6)	—	—	—	—
Involuntary Termination (in connection with a change in control)(7)	487,500	—	243,079	730,579
Death or Disability	—	—	243,079	243,079

(1) The amounts set forth in the "Cash Severance Payments" column reflect the sum of cash severance payments to be made pursuant to Messrs. Ludwig's, Mefford's, Tucker's and Lemke's employment agreements and Mr. Casey's change of control agreement exclusive of any pro rata bonus payable on a termination of employment as annual incentive bonuses are earned as of December 31 and no additional amount would be payable to a NEO for a termination occurring on the last business day of the year. Please see the "Non-equity Incentive Plan Compensation" column of the Summary Compensation Table for 2023 annual incentive compensation amounts.

(2) The amounts set forth in the "COBRA Continuation" column reflect the employer-paid portion of

COBRA premiums to be made pursuant to each NEO's employment agreement or change of control agreement, as applicable, assuming each NEO was eligible for, and elected, COBRA coverage for the maximum period allowed by law. No value is reflected for Messrs. Mefford and Casey as they did not participate in our medical and dental plans as of December 31, 2023.

(3) The amounts set forth in the "Accelerated Vesting of Equity Awards" column reflect the value of accelerated vesting of unvested restricted stock awards pursuant to our 2019 LTIP based on the market value of our common stock of $27.56 on December 29, 2023 (the last trading day of the year). In certain instances, the NEOs will also be entitled to accelerated vesting of the NEOs' unvested options. As of December 29, 2023 (the last trading day of the year), the value of the Company's stock was below the NEOs' option exercise price and therefore no value is reflected on this table with respect to the acceleration of the NEOs' options.

(4) Involuntary Termination (not in connection with a change in control) means, pursuant to the terms of the NEO's employment agreement, a termination by (i) the employer other than for cause, death or disability, or (ii) the NEO for good reason, in either case that does not occur within six months prior to, or 24 months following, a change in control.

(5) Involuntary Termination (in connection with a change in control) means, pursuant to the terms of the NEO's employment agreement, a termination by (i) the employer other than for cause, death or disability, or (ii) the NEO for good reason, in either case that occurs within six months prior to, or 24 months following, a change in control.

(6) Involuntary Termination (not in connection with a change in control) means, pursuant to the terms of Mr. Casey's change of control agreement, a termination by (i) the employer other than for cause, death or disability, or (ii) Mr. Casey for good reason, in either case that does not occur within six months prior to, or 24 months following, a change in control.

(7) Involuntary Termination (in connection with a change in control) means, pursuant to the terms of the Mr. Casey's change of control agreement, a termination by (i) the employer other than for cause, death or disability, or (ii) Mr. Casey for good reason, in either case that occurs within six months prior to, or 24 months following, a change in control.

Employment Agreements

We have entered into employment agreements with Messrs. Ludwig, Mefford, Tucker and Lemke. Each agreement generally describes the position and duties of each NEO, provides for a specified term of employment, describes base salary, bonus opportunity and other benefits and perquisites to which the executive officer is entitled, if any, sets forth the duties and obligations of each party in the event of a termination of employment prior to expiration of the employment term, and provides us with a measure of protection by obligating the NEO to abide by the terms of restrictive covenants during the terms of his employment and thereafter for a specified period of time. We entered into amended and restated agreements with Messrs. Ludwig, Mefford, Tucker, and Lemke in November 2020.

Mr. Ludwig. Our employment agreement with Mr. Ludwig, effective November 5, 2020, provides for an initial term of three years, with an automatic extension for an additional one-year period commencing on the first anniversary of the effective date and each anniversary thereafter, unless either party provides written notice of non-extension ninety days prior to the extension date. If a change in control of the Company occurs during the term of the agreement, the agreement will remain in effect for the two-year period following the change in control. Mr. Ludwig's base salary is subject to annual review and increase at the discretion of our Compensation Committee, and his target bonus is required to be at least 65% of his base salary. The agreement also provides for Mr. Ludwig's participation in the Company's compensation and benefits plans, including the 2019 LTIP, in the same manner as other senior executives of the Company. Following Mr. Ludwig's termination of employment, he will be subject to non-competition and non-solicitation restrictions for a period of 12 months. In the event Mr. Ludwig's employment is terminated by the Company other than for cause, death, or disability, or he resigns for good reason, he will be entitled to a payment equal to 100% (300% if in connection with a change in control) of the sum of his salary plus the average of his bonus payments for the prior three years. He will also be entitled to COBRA coverage at employee rates for up to 12 months (36 months if in connection with a change in control) and a pro rata bonus for the year of termination.

Mr. Mefford. Our employment agreement with Mr. Mefford, effective November 5, 2020, provides for an initial term of two years, with an automatic extension for an additional one-year period commencing on the first anniversary of the effective date and each anniversary thereafter, unless either party provides written notice of non-extension ninety days prior to the extension date. If a change in control of the Company occurs during the term of the agreement, the agreement will remain in effect for the two-year period following the change in control. Mr. Mefford's base salary is subject to annual review and increase at the discretion of our Chief Executive Officer, and his target bonus is required to be at least 60% of his base salary. The agreement also provides for Mr. Mefford's participation in the Company's compensation and benefits plans, including the 2019 LTIP, in the same manner as other senior executives of the Company. Following Mr. Mefford's termination of employment, he will be subject to non-competition and non-solicitation restrictions for a period of 12 months. In the event Mr. Mefford's employment is terminated by the Company other than for cause, death, or disability, or he resigns for good reason, he will be entitled to receive severance pursuant to the Company's general severance plan, or if such termination is in connection with a change in control, he will be entitled to a payment equal to 200% of the sum of his salary plus the average of his bonus payments for the prior three years. He will also be entitled to COBRA coverage at employee rates for up to 12 months (24 months if in connection with a change in control) and, if such termination is in connection with a change in control, a pro rata bonus for the year of termination.

Mr. Tucker. Our employment agreement with Mr. Tucker, effective November 5, 2020, provides for an initial term of two years, with an automatic extension for an additional one-year period commencing on the first anniversary of the effective date and each anniversary thereafter, unless either party provides written notice of non-extension ninety days prior to the extension date. If a change in control of the Company occurs during the term of the agreement, the agreement will remain in effect for the two-year period following the change in control. Mr. Tucker's base salary is subject to annual review and increase at the discretion of our Chief Executive Officer and his target bonus is required to be at least 40% of his base salary. The agreement also provides for Mr. Tucker's participation in the Company's compensation and benefits plans, including the 2019 LTIP, in the same manner as other senior executives of the Company. Following Mr. Tucker's termination of employment, he will be subject to non-competition and non-solicitation restrictions for a period of 12 months. In the event Mr. Tucker's employment is terminated by the Company other than for cause, death, or disability, or he resigns for good reason, he will be entitled to a payment equal to 50% (200% if in connection with a change in control) of the sum of his salary plus the average of his bonus payments for the prior three years. He will also be entitled to COBRA coverage at employee rates for up to 12 months (24 months if in connection with a change in control) and, if such termination is in connection with a change in control, a pro rata bonus for the year of termination.

Mr. Lemke. Our employment agreement with Mr. Lemke, effective November 5, 2020, provides for an initial term of two years, with an automatic renewal for additional one-year periods commencing on each anniversary thereafter, unless either party provides written notice of nonrenewal ninety days prior to the extension date. If a change in control of the Company occurs during the term of the agreement, the agreement will remain in effect for the two-year period following the change in control. Mr. Lemke's base salary is subject to annual review and increase at the discretion of our Chief Executive Officer and his target bonus is required to be at least 40% of his base salary. The agreement also provides for Mr. Lemke's participation in the Company's compensation and benefits plans, including the 2019 LTIP, in the same manner as other senior executives of the Company. Following Mr. Lemke's termination of employment, he will generally be subject to non-solicitation (and non-competition unless such termination is due to good reason) restrictions for a period of 12 months. In the event Mr. Lemke's employment is terminated by the Company other than for cause, death, or disability, or he resigns for good reason, he will be entitled to receive severance pursuant to the Company's general severance plan, or if such termination is in connection with a change in control, he will be entitled to a payment equal to 200% of the sum of his salary plus the average of his bonus payments for the prior three years. He will also be entitled to COBRA coverage at employee rates for up to 12 months (24 months if in connection with a change in control) and, if such termination is in connection with a change in control, a pro rata bonus for the year of termination.

Our obligation to pay any severance under each of the amended and restated employment agreements is conditioned on the execution by the NEO of a general release and waiver of any and all claims with respect to their employment with the Company.

Change of Control Agreement

Mr. Casey. Our change of control agreement with Mr. Casey, effective May 3, 2023, provides for an initial term through December 31, 2023, with an automatic renewal for additional one-year periods commencing on each January 1 thereafter, unless either party provides written notice of nonrenewal ninety days prior to December 31 of each year. If a change in control of the Company occurs during the term of the agreement, the agreement will remain in effect for a one-year period following the change in control. Following Mr. Casey's termination of employment, he will generally be subject to non-solicitation and non-competition restrictions for a period of 12 months. In the event Mr. Casey's employment is terminated by the Company other than for cause, death, or disability, or he resigns for good reason, in any case, not in connection with a change in control, he will be entitled to receive severance pursuant to the Company's general severance plan, or if such termination is in connection with a change in control, he will be entitled to a payment equal to 150% of the sum of his salary plus the average of his bonus payments for the prior three years. He will also be entitled to COBRA coverage at employee rates for up to 12 months. Our obligation to make payments to Mr. Casey under his change of control agreement is conditioned on his execution of a general release and waiver of any and all claims with respect to his employment with the Company.

Long Term Incentive Plans

Equity based incentive awards are currently made though the Company's 2019 LTIP. The Company also maintains the 2010 LTIP, and previously maintained the Midland States Bancorp, Inc. Omnibus Stock Ownership and Long Term Incentive Plan, and the Third Amendment and Restatement Midland States Bancorp, Inc. 1999 Stock Option Plan (collectively, with the 2010 LTIP, the "**Prior Incentive Plans**"). As of the effective date of the 2019 LTIP, no further awards may be granted under the Prior Incentive Plans. However, any previously outstanding incentive award granted under the Prior Incentive Plans remains subject to the terms of such plans until the time it is no longer outstanding.

Midland States Bancorp, Inc. 2019 Long-Term Incentive Plan. The 2019 LTIP, which was amended and restated on May 1, 2023, was adopted by our board on February 5, 2019 and became effective upon approval by our shareholders on May 3, 2019. The 2019 LTIP was designed to ensure continued availability of equity awards that will assist the Company in attracting, retaining and rewarding key employees, directors and other service providers. Pursuant to the 2019 LTIP, the Compensation Committee is allowed to grant awards to eligible persons in the form of qualified and non-qualified stock options, restricted stock, restricted stock units, stock appreciation rights and other incentive awards. Awards vest, become exercisable and contain such other terms and conditions as determined by the Compensation Committee and set forth in individual agreements with the employees receiving the awards. The plan enables the Compensation Committee to set specific performance criteria that must be met before an award vests under the plan. The 2019 LTIP allows for acceleration of vesting and exercise privileges of grants if a participant's termination of employment is due to a change in control, death or total disability. If a participant's job is terminated for cause, then all unvested awards expire at the date of termination. Up to 1,550,000 shares of common stock may be issued under the plan (all of which may be granted as qualified stock options), which includes an additional 550,000 shares approved by shareholders as of May 1, 2023. As of December 31, 2023, there were 598,424 shares available for issuance under the plan.

Midland States Bancorp, Inc. Second Amended and Restated 2010 Long-Term Incentive Plan. The 2010 LTIP was adopted by our board on October 18, 2010 and approved by our shareholders on November 23, 2010. The 2010 LTIP was amended and restated December 31, 2010 and further amended and restated February 2, 2016. The 2016 restatement, which was not submitted to shareholders for approval, increased the number of shares available for issuance under the plan by 1,000,000. The 2010 LTIP was designed to ensure continued availability of equity awards to assist the Company in attracting, retaining and rewarding key employees, directors and other service providers. Pursuant to the 2010 LTIP, the Compensation Committee was allowed to grant awards to eligible persons in the form of qualified and non-qualified stock options, restricted stock, restricted stock units, stock appreciation rights and other incentive awards. Up to 2,000,000 shares of common stock were available for issuance under the plan (the initial 1,000,000 of which were eligible to be granted as qualified stock options). After approval of our 2019 LTIP, no additional grants were to be made under the 2010 LTIP. Awards vest, become exercisable and contain such other terms and conditions as determined by the Compensation Committee and set forth in individual agreements with the employees receiving the awards. The plan enabled the Compensation Committee to set specific performance criteria that must be met before an award vests under the plan. The 2010 LTIP allowed for acceleration of vesting and exercise privileges of grants upon a change in control or if a participant's termination of employment is due to death or total disability. If a participant's job is terminated for cause, then all unvested awards expire at the date of termination.

Other Compensation Programs

Midland States Bank 401(k) Profit Sharing Plan. The Midland States Bank 401(k) Profit Sharing Plan, or the 401(k) Plan, is designed to provide retirement benefits to all eligible full-time and part-time employees of the Bank and its subsidiaries. The 401(k) Plan provides employees with the opportunity to save for retirement on a tax-favored basis. Named executive officers, all of whom were eligible during 2020, may elect to participate in the 401(k) Plan on the same basis as all other employees. Employees may defer 1% to 100% of their compensation to the 401(k) Plan up to the applicable statutory limit. We currently match employee contributions on the first 6% of employee compensation (50 cents for each $1). The Company match is contributed in the form of cash and is invested according to the employee's current investment allocation. The Company has the authority to make an annual discretionary profit sharing contribution to the 401(k) Plan, but does not currently do so.

Amended and Restated Midland States Bancorp, Inc. Employee Stock Purchase Plan. We maintain the Amended and Restated Midland States Bancorp, Inc. Employee Stock Purchase Plan (Amended and Restated May 3, 2019 and May 1, 2023) (the "ESPP") for the benefit of our eligible employees. The plan is not intended to constitute an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). Any employee who has been employed by us or any subsidiary is eligible to participate in the plan upon completion of the service requirements determined by the Compensation Committee. Pursuant to the plan, participating employees are permitted to use after-tax dollars, up to a maximum of $25,000 per calendar year of their compensation, to purchase shares of our common stock at the end of each calendar quarter. The purchase price for the stock is currently 90% of the stock's fair market value as of the first day of each quarterly offering period. While the Compensation Committee could elect a different discount percentage, it does not expect to do so in the foreseeable future. At any time our common stock is listed for trading on a principal national securities exchange, including the Nasdaq Global Select Market, the fair market value under this plan is deemed to be the officially quoted closing selling price of the shares on the applicable day. The maximum number of shares that may be issued under the ESPP is 600,000, which includes the 300,000 previously subject to the ESPP, an additional 200,000 shares approved by shareholders as of May 3, 2019, and an additional 100,000 shares approved by shareholders as of May 1, 2023. As of December 31, 2023, there were 198,642 shares available for issuance under the plan.

Deferred Compensation Plan for Directors and Executives. Effective as of November 8, 2018, we maintain two separate deferred compensation plans for the benefit of our directors and executives which are the Deferred Compensation Plan for Directors of Midland States Bancorp, Inc. (the "**Director Deferred Compensation Plan**") and the Deferred Compensation Plan for Executives of Midland States Bancorp, Inc. (the "**Executive Deferred Compensation Plan**"). The plans provide directors and executives an opportunity to better plan for their financial futures by providing a vehicle for the deferral of current income taxation. Under the plans, directors and eligible senior executives are permitted to elect to defer all or a portion of their annual director fees (in whatever form), salary and/or bonus, as the case may be. Any deferrals are credited to a plan account and earn interest based on the notional investment elections of the executives from a selection of measurement funds generally available to participants under the 401(k) Plan. One available notional investment alternative for directors is Company stock units, which track the value of our common stock. Participants can elect to receive their distributions in a lump sum or in installments spread over a period of up to 5 years.

Health and Welfare Benefits. Our named executive officers are eligible to participate in our standard health and welfare benefits program, which offers medical, dental, vision, life, accident, and disability coverage to all of our eligible employees. We do not provide the named executive officers with any health and welfare benefits that are not generally available to our other employees.

Perquisites. We provide our named executive officers with certain perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior employees for key positions. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers. Based on this periodic review, perquisites are awarded or adjusted on an individual basis. The perquisites received by our named executive officers in 2023 included allowances for annual country club/social club dues and use of a Company-owned automobile. With respect to our named executive officers, country club allowances are provided only to Messrs. Ludwig, Mefford and Lemke and the use of a Company car is provided only to Messrs. Ludwig and Mefford.

CEO Pay Ratio

Pursuant to SEC rules, we are providing information about the relationship of the annual total compensation of Mr. Jeffrey G. Ludwig, our Chief Executive Officer, to the annual total compensation of our median employee.

To determine the median employee, a list of all active full and part-time employees as of December 31, 2023, excluding Mr. Ludwig, was prepared with the corresponding annual total W-2 compensation as reflected in our payroll records. A total of 910 employees were included. Compensation was annualized for any individual not employed for the full calendar year of 2023. Annual total W-2 compensation was ranked from lowest to highest, and the median employee was selected from the list.

Mr. Ludwig had 2023 total compensation of $1,633,785, as reflected in the Summary Compensation Table included in this Proxy Statement. The median employee annual total compensation for 2023, using the methodology that was used to calculate Mr. Ludwig’s compensation in the Summary Compensation Table, was $60,106. As a result, the CEO pay ratio is 27.2.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. Because the SEC rules for identifying the median employee and calculating the pay ratio allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions that reflect their compensation practices, the pay ratio reported by other companies may not be comparable to the pay ratio reported above.

PAY VERSUS PERFORMANCE DISCLOSURE

In accordance with rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we provide the following disclosure regarding executive "compensation actually paid" ("CAP") and certain Company performance for the fiscal years listed below. You should refer to our CD&A disclosure, elsewhere in this proxy statement, for a complete description of how executive compensation relates to Company performance and how the Compensation Committee makes its decisions.

The Pay versus Performance table below summarizes the compensation values both previously reported in our Summary Compensation Table, as well as the adjusted values required in this section for the 2020, 2021, 2022 and 2023 calendar years.

					Value of Initial Fixed $100 Invested on 12/31/19:			Selected Measure
Year	Summary Compensation Table Total for CEO(1)	Compensation Actually Paid to CEO(2)	Average Summary Compensation Table Total for Non-CEO NEOs(1)	Average Compensation Actually Paid to Non-CEO NEOs(2)	Company Total Shareholder Return(3)	Peer Group Total Shareholder Return(4)	Company Net Income (in millions)	Company Adjusted Earnings Per Share (EPS)(5)
2023	$1,633,785	$1,733,495	$754,918	$803,689	$116.50	$107.99	$75.46	$3.42
2022	$1,777,733	$1,851,719	$825,247	$857,590	$106.74	$107.95	$99.03	$3.79
2021	$1,581,174	$1,806,916	$805,976	$903,099	$ 95.30	$119.79	$81.32	$3.65
2020	$1,027,328	$ 756,598	$547,076	$431,468	$ 65.66	$ 89.23	$22.54	$1.70

(1) Mr. Jeff Ludwig has served as the Company's CEO; Mr. Mefford, Mr. Tucker, Mr. Lemke served as Non-CEO NEOs for 2020 through 2023. Mr. Stewart was an NEO for 2020 through 2022. Mr. Casey was an NEO in 2023. The dollar amounts reported are total compensation in the Summary Compensation Table for the CEO and the average for Non-CEO NEOs for each reported fiscal year.

(2) The dollar amounts reported represent "Compensation Actually Paid", as calculated in accordance with SEC rules.

(3) The Company's 2023 total shareholder return as of December 31, 2023, as provided by S&P Cap IQ.

(4) Reflects the cumulative total shareholder return of the S&P Small Cap 600 Banks Index. This is the peer group used by the Company as reflected in its Annual Report on Form 10-K for the year ended December 31, 2023.

(5) Adjusted earnings per share (or "EPS") is the Company-Selected Measure. For further detail, see the "Compensation Discussion and Analysis" section in the proxy statement.

Calculation of Compensation Actually Paid (CAP)

To calculate the amounts of "Compensation Actually Paid" (CAP) to our CEO and Non-CEO NEOs in the table above according to SEC reporting rules, the following adjustments were made to Total Compensation as reported in the Summary Compensation Table for 2023.

	2023	
	CEO	**Average Non-CEO NEOs**
Total Compensation from Summary Compensation Table	**$1,633,785**	**$ 754,918**
Adjustments for Pension		
Adjustment Summary Compensation Table Pension	$ —	$ —
Amount added for current year service cost	$ —	$ —
Amount added for prior service cost impacting current year	$ —	$ —
Total Adjustments for Pension	**$ —**	**$ —**
Adjustments for Equity Awards		
Adjustment for grant date values in the Summary Compensation Table	$ (540,782)	$(248,933)
Year-end fair value of unvested awards granted in the current year	$ 644,077	$ 298,819
Year-over-year difference of year-end fair values for unvested awards granted in prior years	$ 100,761	$ 32,626
Fair values at vest date for awards granted and vested in current year	$ —	$ —
Difference in fair values between prior year-end fair values and vest date fair values for awards granted in prior years	$ (143,594)	$ (48,222)
Forfeitures during current year equal to prior year-end fair value	$ —	$ —
Dividends or dividend equivalents not otherwise included in total compensation	$ 39,248	$ 14,480
Total Adjustments for Equity Awards	**$ 99,710**	**$ 48,771**
Compensation Actually Paid (as calculated)	**$1,733,495**	**$ 803,689**

Financial Performance Measures

As described in greater detail in the CD&A, a substantial portion our NEOs' compensation is directly linked to the achievement of financial and operational metrics, as well as other strategic goals with rigorous targets that align with the Company's business strategy, compensation philosophy, shareholder interests and most importantly, our long-term goals. In addition to the pay versus performance table above, the following is a tabular list of the most important financial measures we use to link "compensation actually paid" to our CEO and Non-CEO NEOs for the most recently completed fiscal year to the Company's performance. The Company-Selected Measure is denoted with an asterisk.

List of Performance Measures

Financial
Adjusted EPS*
Pre-Tax Pre-Provision Profit (PTPP);
Revenue

Pay Versus Performance: Graphical Description

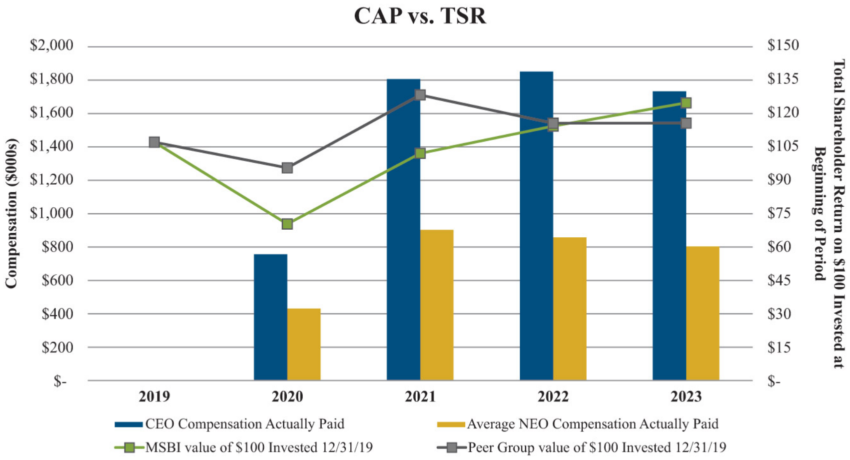
The following graphs present the relationship during 2023, 2022, 2021 and 2020 between (1) executive compensation "actually paid" (as defined by SEC rule and shown above) for the CEO and our other NEOs on an average basis.

- the Company's cumulative TSR and the Peer Group's cumulative TSR;
- the Company's Net Income; and
- the Company-Selected Measure, which for the Company is Adjusted Earnings Per Share.

CAP and Cumulative TSR / Cumulative TSR of the Peer Group

The chart below shows the CEO and Average NEO compensation on a CAP basis relative to (i) the Company's U.S. Small Cap Banks index utilized in the 10-K and (ii) the Company's TSR.

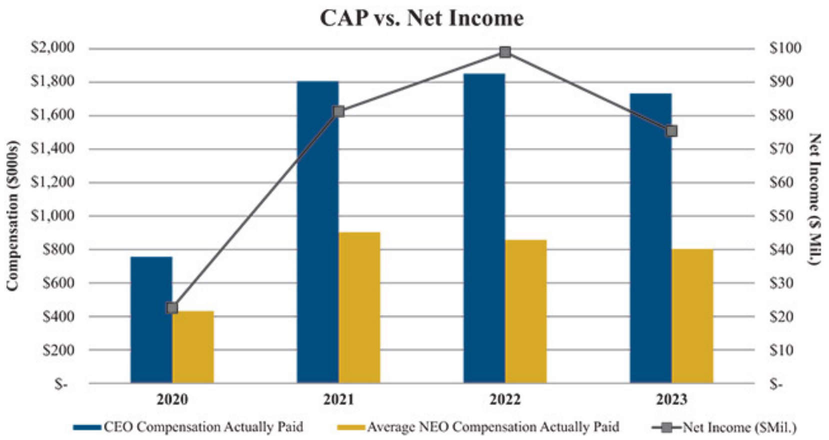
The Company does not use TSR to determine compensation level or incentive plan payouts.



CAP and the Company's Net Income

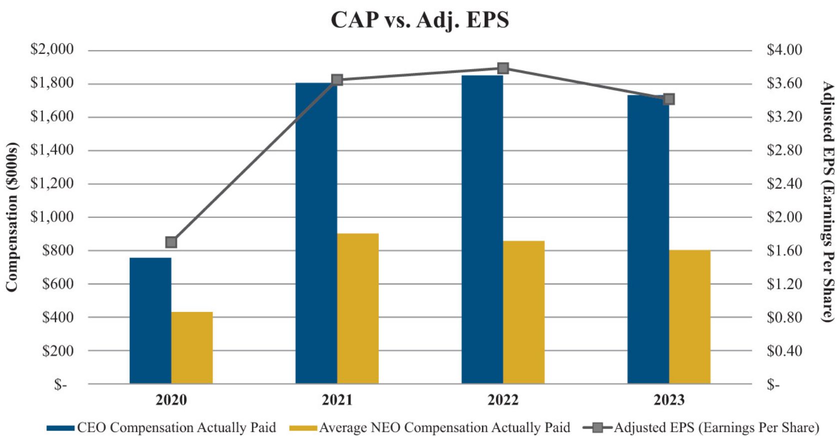
The chart below shows the CEO and Average NEO compensation on a CAP basis relative to the Company's Net Income.

The Company does not use net income to determine compensation levels or incentive plan payouts. We use EPS as a measure in the Short-Term Incentive Plan and there is a good correlation between these two measures.



Relationship between the CAP and Adjusted EPS Metric

The chart below shows the CEO and Average NEO compensation on a CAP basis relative to the company-selected metric — Adjusted Earnings Per Share.



PROPOSAL 2 — ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

Section 14A of the Exchange Act and the rules and regulations promulgated thereunder require publicly traded companies, such as the Company, to permit a separate shareholder vote to approve the compensation of the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC. In accordance with these requirements, we are providing shareholders with an advisory vote on the compensation of our executive officers. In accordance with the preference expressed by our shareholders at the 2019 annual meeting of shareholders, we intend to hold a "say-on-pay" vote on an annual basis at least until the next frequency vote, which we expect to hold at the 2025 annual meeting of shareholders.

As described in more detail in the Compensation Discussion and Analysis section of this proxy statement, the overall objectives of the Company's compensation programs have been to align executive officer compensation with the success of meeting long-term strategic operating and financial goals. Shareholders are urged to read the Compensation Discussion and Analysis section of this proxy statement, as well as the Summary Compensation Table and other related compensation tables and narrative disclosure that describe the compensation of our named executive officers in 2023. The Compensation Committee and the board of directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis section are effective in implementing our compensation philosophy and achieving its goals, and that the compensation of our executive officers in fiscal year 2023 reflects and supports these compensation policies and procedures.

The following resolution is submitted for shareholder approval:

> **"RESOLVED, that Midland States Bancorp, Inc.'s shareholders approve, on an advisory basis, its executive compensation as described in the section captioned 'Compensation Discussion and Analysis' and the tabular disclosure regarding named executive officer compensation under 'Executive Compensation' contained in the Company's proxy statement, dated March 25, 2024."**

Approval of this resolution requires the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on such proposal. While this advisory vote on executive compensation, commonly referred to as a "say-on-pay" advisory vote, is required, it is not binding on our board of directors and may not be construed as overruling any decision by the board. However, the Compensation Committee will take into account the outcome of the vote when considering future compensation arrangements.

The board of directors unanimously recommends that you vote to approve the overall compensation of our named executive officers by voting "FOR" this proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information as of March 7, 2024, regarding the beneficial ownership of our common stock and our depositary shares, each representing a 1/40th interest in a share of the Company's 7.75% fixed rate reset non-cumulative perpetual preferred stock, Series A ("Series A Depositary Shares"), by:

- each shareholder known by us to beneficially own more than 5% of such class of securities;
- each of our directors and director nominees;
- each of our NEOs; and
- all of our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities, or has the right to acquire such powers within 60 days. For purposes of calculating each person's percentage ownership, common stock issuable pursuant to options exercisable within 60 days are included as outstanding and beneficially owned for that person or group but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each person identified in the table has sole voting and investment power over all of the shares shown opposite such person's name.

The percentages of beneficial ownership are based on 21,850,000 shares of our common stock, and 4,600,000 Series A Depositary Shares, in each case outstanding as of March 7, 2024.

Unless otherwise provided, the address for each shareholder listed in the table below is: c/o Midland States Bancorp, Inc., 1201 Network Centre Drive, Effingham, Illinois 62401.

Name	Common Stock		Series A Depositary Shares	
	Shares Beneficially Owned[1]	Percent of Class	Shares Beneficially Owned	Percent of Class
5% Shareholders				
BlackRock, Inc.[2]	3,059,152	14.0%		
Dimensional Fund Advisors LP[3]	1,371,940	6.3		
FJ Capital Management LLC[4]	1,269,108	5.8		
The Vanguard Group[5]	1,138,823	5.2		
Directors and NEOs				
Jeffrey G. Ludwig[6]	417,295	1.9	—	—
Eric T. Lemke[7]	27,737	*	—	—
Douglas J. Tucker[8]	58,150	*	4,300	*
Jeffrey S. Mefford[9]	80,180	*	—	—
Daniel E. Casey	8,820	*	—	—
R. Dean Bingham[10]	30,072	*	4,000	*
Gerald J. Carlson	—	*	—	—
Jennifer L. DiMotta[11]	7,552	*	—	—
Sherina M. Edwards[12]	3,673	*	—	—
Deborah A. Golden[13]	8,331	*	—	—
Jerry L. McDaniel[14]	116,696	*	40,000	*
Jeffrey M. McDonnell[15]	28,148	*	—	—
Richard T. Ramos[16]	21,508	*	—	—
Robert F. Schultz[17]	363,554	1.7	—	—
Jeffrey C. Smith[18]	43,076	*	—	—
All directors and executive officers as a group (15 persons)[19]	1,214,792	5.6%	48,300	1.1%

* Indicates one percent or less.

(1) Beneficial ownership includes shares of unvested restricted stock that officers are entitled to vote but does not include common stock equivalent units owned by directors or officers under the Deferred Compensation Plan.

(2) Information is based solely on the Schedule 13G/A filed on January 23, 2024 by BlackRock, Inc. The address of BlackRock, Inc. is 50 Hudson Yards, New York, New York 10001.

(3) Information is based solely on Amendment No. 1 to the Schedule 13G filed on February 9, 2024. The address of Dimensional Fund Advisors LP is 6300 Bee Cave Road, Building One, Austin, TX 78746.

(4) Information is based solely on Amendment No. 5 to Schedule 13G filed on February 8, 2024 by (i) FJ Capital Management LLC, Financial Opportunity Fund LLC, Financial Opportunity Long/Short Fund LLC and Martin Friedman, the address for each of which is 7901 Jones Branch Drive, Suite 210, McLean, VA 22102, and (ii) Bridge Equities III, LLC, Bridge Equities XI, LLC, SunBridge Manager, LLC, SunBridge Holdings, LLC and White Oak Enterprises, Inc., the address for each of which is 8171 Maple Lawn Blvd, Suite 375, Fulton, MD 20759.

(5) Information is based solely on the Schedule 13G filed on February 13, 2024. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(6) Includes (i) 11,569 shares of common stock held by JQ Properties, LLC; and (ii) 62,799 shares of common stock subject to stock options that are currently exercisable or are exercisable within 60 days of March 7, 2024. Of these shares, an aggregate of 100,000 shares are pledged to secure indebtedness. Mr. Ludwig is a manager and a member of, and has shared voting and investment power over the shares of common stock held by, JQ Properties, LLC, but disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(7) Includes 4,793 shares of common stock subject to stock options that are currently exercisable or are exercisable within 60 days of March 7, 2024.

(8) Includes 25,279 shares of common stock subject to stock options that are currently exercisable or are exercisable within 60 days of March 7, 2024.

(9) Includes 34,172 shares of common stock subject to stock options that are currently exercisable or are exercisable within 60 days of March 7, 2024.

(10) Includes 6,372 shares of common stock issuable pursuant to restricted stock units.

(11) Includes 7,347 shares of common stock issuable pursuant to restricted stock units.

(12) Includes 2,009 shares of common stock issuable pursuant to restricted stock units.

(13) Includes 6,160 shares of common stock issuable pursuant to restricted stock units.

(14) Includes (i) 8,680 shares of common stock held by Mr. McDaniel's minor children; (ii) 20,000 Series A depositary shares held in the James H. McDaniel Revocable Trust; (iii) 13,000 shares of common stock held by Four Diamond Capital LLC; and (iv) 4,069 shares of common stock issuable pursuant to restricted stock units. Mr. McDaniel is a managing member of, and has voting and investment power over the shares held by Four Diamond Capital LLC, but disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Mr. McDaniel is the beneficiary of, and has voting and investment power over the shares held by, the James H. McDaniel Revocable Trust, but disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Mr. McDaniel disclaims beneficial ownership of shares held by his minor children.

(15) Includes (i) 21,955 shares of common stock held by the Jeffrey M. McDonnell Revocable Trust UA; and (ii) 6,193 shares of common stock issuable pursuant to restricted stock units. Mr. McDonnell is the beneficiary of, and has voting and investment power over the shares held by, the Jeffrey M. McDonnell Revocable Trust UA, but disclaims beneficial ownership thereof except to the extent of his pecuniary interest therein.

(16) Includes (i) 1,000 shares of common stock held by Mr. Ramos' children who live in his household; and (ii) 6,999 shares of common stock issuable pursuant to restricted stock units. Mr. Ramos disclaims beneficial ownership of shares held by his children.

(17) Includes (i) 4,262 shares of common stock held by Mr. Schultz's spouse; (ii) 30,153 shares of common stock held by Red Bird Investors LLC; (iii) 250,030 shares of common stock held by J.M. Schultz Investment, L.L.C.; (iv) 37,846 shares of common stock held by Summit Investors, LLP; and (v) 9,146 shares of common stock issuable pursuant to restricted stock units. Robert Schultz is: (a) the managing member of J.M. Schultz Investment, L.L.C.; (b) the managing member of Red Bird Investors LLC; and (c) the managing member of Summit Investors, LLP. He has voting and investment power over the shares held by J.M. Schultz Investment, L.L.C., Red Bird Investors LLC, and Summit Investors, LLP but disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. Mr. Schultz disclaims beneficial ownership of shares held by his spouse individually except to the extent of his pecuniary interest therein.

(18) Includes 10,117 shares of common stock issuable pursuant to restricted stock units.

(19) Includes an aggregate of: (i) 127,043 shares of common stock subject to stock options that are currently exercisable or are exercisable within 60 days of March 7, 2024; and (ii) 58,412 shares of common stock issuable pursuant to restricted stock units. An aggregate of 11,569 shares are pledged as security for indebtedness.

Delinquent Section 16(a) Reports

We are not aware of any failure to comply with the filing requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by any of our directors, executive officers or 10% shareholders during the fiscal year ended December 31, 2023, except for the late filing by Mr. Casey of a Form 3 upon his being appointed as an executive officer and two Form 4s upon the receipt of the restricted stock awards described in this proxy statement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than the compensation arrangements with directors and executive officers described above and the ordinary course banking relationships described below, there has not been, since January 1, 2023, and there is not currently proposed, any transaction to which we have been a party in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or beneficial holders of more than five percent of our capital stock, or their immediate family members or entities affiliated with them, had or will have a direct or indirect material interest.

Our directors, officers, beneficial owners of more than five percent of our voting securities and their associates were customers of and had transactions with us in the past, and additional transactions with these persons are expected to take place in the future. All outstanding loans and commitments to loan with these persons were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the Company or the Bank and did not involve more than the normal risk of collectability or present other unfavorable features. All such loans are approved by the Bank's board of directors in accordance with the bank regulatory requirements. Similarly, all certificates of deposit and depository relationships with these persons were made in the ordinary course of business and involved substantially the same terms, including interest rates, as those prevailing at the time for comparable depository relationships with persons not related to the Company or the Bank.

Policies and Procedures Regarding Related Party Transactions

Transactions by the Company or the Bank with related parties are subject to certain regulatory requirements and restrictions, including Sections 23A and 23B of the Federal Reserve Act (which govern certain transactions by the Bank with its affiliates) and the Federal Reserve's Regulation O (which governs certain loans by the Bank to its executive officers, directors and principal shareholders).

Under applicable SEC and Nasdaq Stock Market rules, related party transactions are transactions in which we are a participant, the amount involved exceeds $120,000 and a related party has or will have a direct or indirect material interest. Related parties of the Company include directors (including nominees for election as directors), executive officers, five percent shareholders and the immediate family members of these persons. Our Corporate Counsel, in consultation with management and outside counsel, as appropriate, will review potential related party transactions to determine if they qualify as related party transactions, as defined under SEC rules. If so, as required by the Audit Committee's charter, the transaction will be referred to Audit Committee for approval. In determining whether to approve a related party transaction, the Audit Committee will consider, among other factors, the fairness of the proposed transaction, the direct or indirect nature of the related party's interest in the transaction, the appearance of an improper conflict of interests for any director or executive officer taking into account the size of the transaction and the financial position of the related party, whether the transaction would impair an outside director's independence, the acceptability of the transaction to our regulators and the potential violations of other corporate policies. The Company's policies and procedures for the review, approval or ratification of related party transactions are set forth in the Audit Committee's charter.

AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the year ended December 31, 2023. The information contained in this report shall not be deemed to be "soliciting material" or to otherwise be considered "filed" with the SEC, and such information shall not be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates this report by reference in such filing.

The Audit Committee assists the board in carrying out its oversight responsibilities for our financial reporting process, audit process and internal controls. The Audit Committee also reviews the audited financial statements and recommends to the board that they be included in our Annual Report on Form 10-K. The committee is currently comprised of Messrs. Ramos, McDaniel and McDonnell. All of the members have been determined to be "independent," as defined by the rules of the Nasdaq Stock Market.

The Audit Committee has reviewed and discussed our audited financial statements for 2023 with our management and Crowe LLP, our independent registered public accounting firm, with respect to the 2023 fiscal year. The committee has also discussed with Crowe LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the SEC and received and discussed the written disclosures and the letter from Crowe LLP required by the applicable requirements of the PCAOB. Based on the review and discussions with management and Crowe LLP, the Audit Committee has recommended to the board that the audited financial statements for 2023 be included in our Annual Report on Form 10-K for filing with the SEC.

Audit Committee:

Richard T. Ramos (Chair)
Jeffrey M. McDonnell
Jerry L. McDaniel

PROPOSAL 3 — RATIFICATION OF THE APPOINTMENT OF CROWE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General

Shareholders are being asked to ratify the appointment of Crowe LLP as our independent registered public accounting firm for 2024. If the appointment of Crowe LLP is not ratified, the matter of the appointment of our independent registered public accounting firm will be considered by the Audit Committee. Representatives of Crowe LLP are not expected to be present at the meeting to make a statement or to respond to appropriate questions. **The board of directors unanimously recommends that you vote "FOR" the ratification of the appointment of Crowe LLP to serve as our independent registered public accounting firm for the year ending December 31, 2024.**

Accountant Fees

For the years ended December 31, 2023 and 2022, the Company incurred the following fees for professional services performed by Crowe LLP:

	2023	2022
Audit Fees(1)	$898,688	$799,740
Audit-Related Fees(2)	—	248,050
Tax Fees(3)	8,662	8,250
All Other Fees	—	—

(1) Audit fees include fees for professional services performed by Crowe LLP for (i) the audit of the Company's consolidated financial statements, (ii) the review of the interim condensed consolidated financial statements included in quarterly reports on Form 10-Q, (iii) the services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements; and (iv) other services that generally only the principal accountant can provide. These services included fees for the HUD audits.

(2) Audit-related fees include fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." These services include procedures related to our preferred stock offering in 2022, and the audit of the captive insurance company for 2022.

(3) Tax fees include fees for the preparation of the tax return for the captive insurance company.

The Audit Committee, after consideration of these matters, does not believe that the rendering of these services by Crowe LLP is incompatible with maintaining their independence as our principal accountants.

Audit Committee Pre-Approval Policy

Among other things, the Audit Committee is responsible for appointing, setting compensation for and overseeing the work of the independent registered public accounting firm. We have adopted a pre-approval policy under which the Audit Committee approves in advance all audit and non-audit services to be performed by our independent registered public accounting firm. As part of its pre-approval policy, the Audit Committee considers whether the provision of any proposed non-audit services is consistent with the SEC's rules on auditor independence. In accordance with the pre-approval policy, the Audit Committee has pre-approved certain specified audit and non-audit services to be provided by Crowe LLP for up to twelve months from the date of the pre-approval. All of the services referred to above for 2022 and 2023 were pre-approved by the Audit Committee.

Midland States Bancorp, Inc. VOTE

C123456789

000000000.000000 ext 000000000.000000 ext
000000000.000000 ext 000000000.000000 ext
000000000.000000 ext 000000000.000000 ext

ENDORSEMENT_LINE______________ SACKPACK_____________

000001

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4
ADD 5
ADD 6

Your vote matters – here's how to vote!

You may vote online or by phone instead of mailing this card.

Votes submitted electronically must be received by May 3, 2024 at 11:59 p.m. Central Time.

Online
Go to **www.envisionreports.com/MSBI** or scan the QR code — login details are located in the shaded bar below.

Phone
Call toll free 1-800-652-VOTE (8683) within the USA, US territories and Canada

Save paper, time and money! Sign up for electronic delivery at www.envisionreports.com/MSBI

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. ☒

2024 Annual Meeting Proxy Card

1234 5678 9012 345

▼ IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

A Proposals — The Board of Directors recommends a vote FOR all the nominees listed in Proposal 1 and FOR Proposals 2 and 3.

1. To elect the three nominees named in the accompanying proxy statement to serve as Class II directors, each for a term expiring at the 2027 annual meeting of shareholders.

	For	Against	Abstain
01 - Gerald J. Carlson	☐	☐	☐
02 - Sherina M. Edwards	☐	☐	☐
03 - Robert F. Schultz	☐	☐	☐

	For	Against	Abstain
2. To approve, on a non-binding, advisory basis, the compensation of certain executive officers, which we refer to as the "say-on-pay proposal."	☐	☐	☐
3. To ratify the appointment of Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2024.	☐	☐	☐

B Authorized Signatures — This section must be completed for your vote to count. Please date and sign below.

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below.	Signature 1 — Please keep signature within the box.	Signature 2 — Please keep signature within the box.
/ /		

C 1234567890 JNT
1 U P X 6 0 3 4 7 9

MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE 140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND

03XVNB

2024 Annual Meeting Admission Ticket

2024 Annual Meeting of Midland States Bancorp, Inc. Shareholders

Monday, May 6, 2024, 5:30 p.m. CT
Holiday Inn
1301 Avenue of Mid-America
Effingham, Illinois 62401

Upon arrival, please present this admission ticket and photo identification at the registration desk.

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Shareholders.
The material is available at: www.envisionreports.com/MSBI

Small steps make an impact.
Help the environment by consenting to receive electronic delivery, sign up at www.envisionreports.com/MSBI

▼ **IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** ▼

Midland States Bancorp, Inc.

Notice of 2024 Annual Meeting of Shareholders

Proxy Solicited by Board of Directors for Annual Meeting — May 6, 2024

Jeffrey G. Ludwig and Jeffrey S. Mefford, or either of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Midland States Bancorp, Inc. to be held on May 6, 2024 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted as directed by the shareholder. If no such directions are indicated, the Proxies will have authority to vote FOR the election of each director and FOR Proposals 2 and 3.

In their discretion, the Proxies are authorized to vote (1) upon such other business as may properly come before the meeting and (2) for the election of any person as a director if any nominee named herein becomes unable or unwilling to stand for election or serve as a director.

(Items to be voted appear on reverse side)

C Non-Voting Items

Change of Address — Please print new address below.

Comments — Please print your comments below.