

PRIVATE BANCORP, INC.

Compensation Committee of the Board of Directors

COMMITTEE CHARTER

(approved by the Board on January 23, 2014)

Purpose:

The Compensation Committee (“Committee”) of the Board of Directors (“Board”) of PrivateBancorp, Inc. (the “Company”) is appointed by the Board to discharge the Board’s responsibilities relating to the compensation of the Company’s executives and Board and fulfill the duties and responsibilities set forth in this Charter.

Composition:

The Committee shall be comprised of not less than three members of the Board, as may be appointed to the Committee from time to time by a majority of the Board. No member of the Committee shall be an employee of the Company, and each member must be determined by the Board to be “independent” in accordance with “independence” criteria of the applicable NASDAQ listing requirements applicable to members of the Committee and other regulatory requirements. The Chairman of the Committee shall be designated by the Board out of those members appointed to the Committee. The Committee Chairman shall preside at meetings of the Committee (or in his absence, such other member as designated by the Committee).

Members of the Committee shall serve at the pleasure of the Board for such term or terms as the Board may determine. Committee members may resign from the Committee by giving notice to the Chairman of the Committee or the Chairman of the Board. A Committee member shall automatically cease to be a member of the Committee upon ceasing to be “independent” as defined above or upon ceasing for any reason to be member of the Board.

Duties and Responsibilities:

The duties and responsibilities of the Committee shall include (a) the duties set forth below, (b) any other specific authority delegated from time to time to the Committee by resolution of the Board; and (c) all duties and responsibilities required to be performed by the Committee under applicable law or stock exchange listing requirements. In carrying out its duties, the Committee shall consider the risk associated with the Company’s compensation programs and practices and the appropriateness of risk management and controls to avoid excessive risk to the organization.

- (1) In collaboration with management, develop the Company’s compensation philosophy, provide oversight of the Company’s administration of the compensation philosophy and monitor its effectiveness.
- (2) After consultation with the directors of the Board in one or more executive sessions not including the Company’s chief executive

officer (“CEO”), (a) at or near the beginning of the year, review and approve the performance goals and objectives relevant to the compensation of the CEO, (b) at or near the end of the year, review the performance of the CEO in light of those goals and objectives, and (c) at or near the beginning of each year, review and approve the compensation for the CEO, including base salary, bonus, and equity and other incentive compensation. The Committee shall also review and approve any employment agreement or similar arrangement with the CEO, or any material modifications thereto. The Chairman of the Committee (or in his absence such other Committee member as the Committee may select) will report to the Board all decisions of the Committee and the rationale therefore, and to the extent necessary or appropriate will convene the Committee to take under advisement any additional considerations raised by the other members of the Board. All decisions relating to CEO compensation must be made by the members of the independent Compensation Committee.

- (3) Review and approve the compensation of each of the executives designated by the Board from time to time as “executive officers” within the meaning of the SEC reporting rules, including base salary, bonus, and equity and other incentive compensation. In this regard, the Committee shall review, with the assistance of the CEO, the performance goals and objectives relevant to the compensation of such individuals, evaluate performance against those goals and objectives and approve compensation levels based on those evaluations. The Committee shall also review and approve any employment agreement or similar arrangement with such individuals, or any material modifications thereto, and may delegate such authority to a subcommittee of the Committee or to the CEO as the Committee deems appropriate.
- (4) Review and approve the Company’s annual bonus program, including terms, conditions and financial metrics, and approve aggregate amounts payable thereunder.

- (5) Administer the Company's equity incentive plans and any other stock-related compensation plans or programs as required by the terms of any such plans or programs approved by the Board, and approve awards under such plans; provided, however, that the Committee may delegate to a subcommittee of the Committee or to the CEO or other members of management the authority to take actions under the plan to the extent the Committee deems appropriate, consistent with the plan and permitted by applicable law. With respect to any proposed adoption of any new equity incentive plans or stock-related compensation plans or programs, or any material changes to any such existing plans or programs, which plans, programs or changes require approval of the stockholders, the Committee shall have the responsibility for evaluating any such plans, programs or changes and making recommendations to the Board for approval.
- (6) Review and approve any changes to or the establishment of executive compensation and employee benefit programs, including incentive-based compensation programs, material non-cash compensation programs, retirement and savings plans, it being understood that management has the discretion to implement usual and customary health and welfare programs and other incentive-based compensation programs for non-management employees (such as limited sales incentive programs, nominal employee award programs and similar plans) without Committee approval. With respect to any proposed Company matching contribution to participants under the Company's retirement and savings plan, the Committee shall have the responsibility to review and approve such matching contributions; provided, however, that the Committee shall recommend for Board approval any proposed profit-sharing or other additional Company contributions to participants.
- (7) Review and make recommendations for Board approval with respect to Board and Board committee compensation, benefits, and expense reimbursement plans and programs and monitor their effectiveness.
- (8) Review and consider pay practices for general industry and peer group companies, in addition to pertinent legislation, that may impact the design of the Company's executive compensation program.
- (9) Review and approve the composition of the comparator groups of companies (peer groups) used for benchmarking the Company's pay practices, establishing performance goals and objectives and evaluating Company performance.

- (10) Meet in executive session without members of management present at least twice each year and at additional times as the Chairperson of the Committee or members of the Committee deem appropriate.
- (11) Conduct an annual performance evaluation of the Committee, which evaluation shall cover, among other matters, a comparison of the performance of the Committee with the requirements of this Charter.
- (12) Review and reassess the adequacy of this Charter on an annual basis and submit any recommended changes to the Board for approval.
- (13) Review annually the Company's stock ownership guidelines to determine the appropriateness of and compliance with the guidelines and to make recommendations, if any, to the Board regarding modification of the guidelines.
- (14) Review with management the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K, and based on such review, determine whether or not to recommend to the Board that the CD&A be so included.
- (15) Prepare, or cause to be prepared subject to the Committee's review and approval, the annual Compensation Committee Report to be included in the Company's annual proxy statement.
- (16) Consider the risks posed to the Company by its compensation programs, including risks relating to manipulation of reported earnings and the design, balance and functioning of the Company's short-term and long-term compensation plans, and take such actions as may be necessary or desirable to limit any such risks in light of applicable law, regulations and/or prudent business practices.

- (17) Effective July 1, 2013, prior to selecting or receiving advice from any compensation consultant, legal counsel (other than in-house counsel) or other advisers (“Advisers”), consider the following six (6) independence factors that are set forth in Rule 10C-1(b)(4)(i)-(vi) under the Exchange Act of 1934, as amended: (a) other services provided by the adviser to the Company; (b) amount of fees received from the Company by the adviser as a percentage of its total revenue; (c) the adviser’s policies and procedures designed to prevent conflicts of interest; (d) any business or personal relationship of the adviser with a Committee member; (e) any business or personal relationship of the adviser or his/her employer with an executive officer of the Company; and (f) whether the individual adviser (not his/her company) owns Company stock. This responsibility shall apply to any compensation adviser (consultant or legal) that provides advice to the Committee, whether retained by the Committee or management.
- (18) Pursuant to the authority set forth below under “Manner of Acting,” be directly responsible for the appointment, compensation and oversight of any Advisers retained by the Committee.

Manner of Acting:

A majority of the members of the Committee shall constitute a quorum for any meeting, whether present in person or by telephone. Approval by a majority of the Committee is necessary for Committee action. Minutes shall be recorded of each meeting held. Actions may be taken by written consent in lieu of a meeting of the Committee.

In carrying out its duties and responsibilities, subject to any restrictions set forth under applicable law or applicable stock exchange standards, the Committee (a) may consult with and consider the recommendations of the CEO and other members of senior management as the Committee deems advisable and appropriate, provided, however, that the CEO may not participate in deliberations or decisions regarding his or her own compensation, (b) is authorized to retain or obtain the advice of Advisers, other than the Company’s independent auditor, as the Committee deems necessary and advisable, (c) is authorized to fund the reasonable compensation of any such Advisers, and (d) may form and delegate authority to subcommittees and individual members of the Committee where deemed appropriate by the Committee.

Reports:

The Chairman of the Committee (or in his absence such other Committee member as the Committee may select) shall make regular reports to the Board regarding compensation matters.