



CHARTER OF THE EXECUTIVE COMMITTEE

Purpose

The Executive Committee (the Committee) is appointed by the Board of Directors (the Board) to assist the Board in fulfilling the Board's oversight responsibilities relating to the appropriateness and soundness of Harford Bank's (the Bank) annual budget; reviewing and making recommendations to the Board regarding the compensation paid to members of the Board, the President of the Bank, and certain other executive officers of the Bank identified from time to time by the Board; and reviewing and making recommendations to the Board with respect to the Bank's annual strategic plan.

In addition, it acts on behalf of the Board to review matters which, in the judgement of the Chair of the Board, do not warrant convening a special meeting of the Board, but should not wait until the next meeting of the Board.

Membership

The Committee will consist of at least four (4) non-employee directors.

The Chair recommends, and the Board appoints, the members of the Committee and the Committee Chair for a one- (1) year term at the annual Organizational Meeting, which typically occurs after the of the Annual Meeting of Shareholders.

Committee members may be replaced and/or removed by the Board, by majority vote, at any time with or without cause.

The responsibilities of a member of the Committee are in addition to responsibilities as a member of the Board. Each non-employee director serving on the Committee will be compensated separately for service on the Committee.

Authority and Responsibilities

Except as provided or required otherwise by applicable law or the Bank's charter or bylaws, the Committee shall:

- Review, and make recommendations to the Board with respect to, the Bank's annual budget prepared by management.

- Make recommendations to the Board with respect to the declaration and payment of quarterly dividends to shareholders.
- Prepare written performance reviews for the President for Board approval and establish and monitor the President's progress on annual goals and objectives.
- Review, and make recommendations to the Board with respect to, specific compensation and benefits packages for the President and certain other executive officers of the Bank identified from time to time by the Board.
- Review and approve the Bank's key benefit plan packages annually and whenever significant changes are made to the plans.
- Review, and make recommendations to the Board with respect to, the organizational and job structures, salary ranges, bonus plans, and employee evaluation formats as developed by Bank management.
- Review salary and total compensation and benefit packages for all staff annually to ensure that wages are competitive.
- Review, and make recommendations to the Board with respect to, personnel guidelines and procedures, compensation philosophy, and employee retention programs.
- Oversee diversity efforts to ensure an inclusive workplace and compliance with equal employment opportunity laws, regulations, and expectations.
- Establish and monitor Board and executive succession plans to ensure the sustainability of the Bank.
- Review and develop for Board approval recommended compensation levels and policies for Board members.
- Identify emerging issues with which the Committee should become involved in the future and provide a "sounding board" for the Bank President.
- Review this charter annually and recommend any proposed changes to the Board for approval.
- Conduct an annual self-evaluation of its performance.

In addition to the above, the Committee is authorized, subject to applicable law and the Bank's charter and bylaws, to: (i) take any action during the periods between Board meetings that the Board could take if the taking of such action by the full Board would be impractical, provided that such action is reported to the full Board at its next meeting; and (ii) take any action that it deems necessary or appropriate to accomplish any action authorized by this charter.

Meetings

The Committee Chair presides over Committee meetings and sets the agendas. This committee meets as often as deemed necessary to meet its responsibilities. A majority of the Committee shall constitute a quorum. All committee members are expected to attend each meeting or provide advance notice to the Chair or Executive Secretary if unable to attend. Attendance may be in person, electronically or by telephone at the discretion of the Chair of the Committee.

Meeting minutes from each meeting are provided to the Board at the next scheduled meeting to ensure the Board is apprised of all decisions and approvals needed.

Effective January 16, 2025