

## **BAR HARBOR BANKSHARES COMPENSATION AND HUMAN RESOURCES COMMITTEE CHARTER**

### **I. Purpose**

The purpose of the Compensation and Human Resources Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Bar Harbor Bankshares (the “**Company**”) is to (a) assist the Board in fulfilling its responsibilities regarding the compensation of the Company’s Chief Executive Officer (the “**CEO**”), the Company’s other executive officers and the non-employee members of the Board, (b) develop, administer and implement all components of the Company’s compensation program, benefit plans and practices, including its executive compensation plans, incentive compensation plans and equity-based plans, (c) oversee compliance with the compensation rules, regulations and guidelines promulgated by the New York Stock Exchange (“**NYSE**”), the Securities and Exchange Commission (the “**SEC**”) and other applicable laws, including, to the extent applicable, (i) overseeing and assisting the Company in preparing the Compensation Discussion & Analysis for inclusion in the Company’s proxy statement and/or annual report on Form 10-K, (ii) providing for inclusion in the Company’s proxy statement a description of the processes and procedures for consideration and determination of executive and director compensation, and (iii) preparing and submitting for inclusion in the Company’s proxy statement and/or annual report on Form 10-K the Committee’s report on executive compensation, and (d) assisting the Board in connection with management succession planning and certain other human resources matters.

In addition to the powers and responsibilities expressly delegated to the Committee in this charter (this “**Charter**”), the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the bylaws of the Company (as may be amended from time to time, the “**Bylaws**”) and applicable law.

### **II. Membership**

The Committee shall be composed of three or more independent directors of the Board, with the exact number determined by the Board. Each member shall:

- meet the “independence” criteria set forth in Rule 10C-1(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and applicable NYSE rules;
- qualify as a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Exchange Act; and
- qualify as an “outside director” under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986 (the “**Code**”), as amended.

Any subsequent determination that any member of the Committee does not qualify as a “non-employee director” or an “outside director” will not invalidate any previous actions by the Committee, except to the extent required by law or determined to be appropriate to satisfy regulatory standards.

The members of the Committee, including the chairperson (the “**Chair**”) of the Committee, shall be appointed by the Board annually, or more frequently in the case of vacancies. If the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. Committee members shall serve for such term or terms as the Board may determine or until earlier resignation or death. Committee members may be removed from the Committee, with or without cause, by the Board.

### **III. Duties and Responsibilities**

The Committee shall have the following authority and responsibilities:

- (1) Annually review and approve, or recommend that the independent members of the Board approve, the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO’s performance in light of those goals and objectives, and determine and approve the compensation level and other terms of employment of the CEO based on such evaluation, including base salary, cash and equity-based incentive compensation, bonus, special benefits, perquisites and incidental benefits and other incentive compensation, and other terms of employment. In determining the long-term incentive component of the CEO’s compensation, the Committee may consider the Company’s performance and relative shareholder return, the value of similar incentive awards given to chief executive officers at institutions in peer groups and awards given to the CEO in past years. In evaluating and determining the CEO’s compensation, the Committee shall consider the results of the Company’s most recent shareholder advisory vote on executive compensation (“**Say on Pay Vote**”) required by Section 14A of the Exchange Act. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.
- (2) Determine and approve the compensation and other terms of employment of the executive officers (other than the CEO) and senior management, as appropriate, taking into consideration the officer’s success in achieving his or her individual performance goals and objectives, and the corporate performance goals and objectives deemed relevant to the officer as established by the Committee. In evaluating and determining executive compensation, the Committee shall consider the views and recommendations of the CEO and the results of the Company’s most recent Say on Pay Vote.
- (3) Unless otherwise provided by law, a plan document or by resolutions approved by the Board, review, approve and, when appropriate, recommend to the Board for approval, incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company’s incentive compensation plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and approving incentive compensation

plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

- (4) Review, approve and, when appropriate, recommend to the Board for approval, all employee benefit plans for the Company, which includes the ability to adopt, amend and terminate such plans.
- (5) Review and approve and, when appropriate, recommend to the Board for approval, the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including perquisites and any other form of compensation) for the CEO, executive officers and other senior management, as appropriate, which includes the ability to adopt, amend and terminate such agreements or arrangements.
- (6) Establish, review and approve all bonuses, equity incentive awards or other compensation to the extent any such bonus, awards or other compensation is intended to be qualified performance-based compensation under Section 162(m) of the Code.
- (7) Monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
- (8) Review and discuss with the Company's management the Company's disclosures (if applicable) contained under the caption "**Compensation Discussion and Analysis**" for use in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and, if such disclosure is included, make recommendations to the Board that the Compensation Discussion and Analysis be approved for inclusion in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements, as required by the Exchange Act, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- (9) Prepare and review the Committee's report on executive compensation to be included in the Company's proxy statement or annual report on Form 10-K in accordance with the rules and regulations promulgated by the SEC.
- (10) Review director compensation for service on the Board and Board committees at least once a year and to recommend any changes to the Board.
- (11) Oversee and review with the Company's management the Company's major compensation-related risk exposures, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate the steps management has taken to monitor or mitigate such exposures, including risks related to executive compensation and overall compensation and benefit strategies, plans, arrangements, practices and policies.

- (12) Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of the Say on Pay Vote, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
- (13) Review and approve, and recommend to the Board for approval where appropriate, executive and senior management level hires and promotions.
- (14) Review and approve, and recommend to the Board for approval where appropriate, policies or amendments to existing policies regarding affirmative action, and reviewing data and other statistics related thereto.
- (15) Review the results of any employee opinion surveys and reporting to the Board regarding the same where appropriate.
- (16) Review the Employee Code of Conduct and recommend such Code of Conduct to the Board for annual review and approval.
- (17) Perform any other activities assigned to the Committee under the Bylaws or required by applicable law, rules or regulations, including the rules and regulations promulgated under the Exchange Act and rules and regulations of the SEC, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### **IV. Studies and Advisers**

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, matters within the Committee's scope of responsibility, with full access to all books, records, facilities and personnel of the Company. The Committee has the sole authority and right, at the expense of the Company, to retain independent legal counsel, compensation and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations. The Committee shall be directly responsible for the appointment, compensation, and oversight of any compensation consultant, legal counsel, accountants, experts and other consultants and advisers retained by the Committee. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of reasonable compensation to any independent legal counsel, consultants, accountants, experts and advisers retained by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and functions.

The Committee is not required to implement or act consistently with the advice or recommendation of such advisers, and the Committee's ability or obligation to exercise its own judgment in fulfillment of its duties shall not be affected by such advisers.

Prior to selecting an adviser, and from time to time as the Committee determines appropriate, the Committee shall assess the independence of such adviser based upon the factors specified in applicable NYSE listing rules; provided, however, that the Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees, or providing information that is not customized for the Company or that is customized based on parameters that are not developed by the consultant or advisor and about which the consultant or advisor does not provide advice.

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

## **V. Structure and Operations**

The Committee shall meet at least annually at such times and places as it deems necessary to fulfill its responsibilities. Any member of the Committee or the Board may call a meeting of the Committee. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## **VI. Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion. Any such subcommittee shall report any actions taken by it to the full Committee at its next regularly scheduled meeting.

## **VII. Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

## **VIII. Publication**

The Company shall make this Charter freely available to shareholders on request and, provided that the Company is subject to the periodic reporting requirements of the Exchange Act, shall publish it on the Company's website.

*Adopted: June 2014*

*Amended: July 2014 to move Codes of Ethics to Governance Charter*

*Amended: July 2019 to move Succession Plan to Governance Charter & add Employee Code of Conduct and some general cleanup of on wording*