



Community
Heritage
Financial, Inc.

COMMUNITY HERITAGE FINANCIAL, Inc. HUMAN CAPITAL MANAGEMENT COMMITTEE CHARTER

June 2021



Community Heritage Financial, Inc. Companies

AUTHORIZATION

Pursuant to the Amended and Restated By-Laws of Middletown Valley Bank the Board of Directors ("the Board") passed a resolution that authorized the formation of a Personnel and Compensation Committee of the Board of Directors ("the Committee"). Following the addition of the Holding Company, Community Heritage Financial, the Board of Directors has determined the need to provide Committee support for Human Capital Management initiatives at the Holding Company Level. With this charter revision, we increase the scope of the Personnel and Compensation Committee to include all Community Heritage Financial companies, and the responsibilities to include all vital elements of strategic human capital management for an engaged board of directors.

MISSION

The Human Capital Management Committee (the "Committee") is appointed by the Board of Directors, to assist the Board in fulfilling its responsibilities to oversee activities related to: Compensation, CEO and Executive Management Succession Planning and Talent Development, as well as initiatives related to Diversity, Equity and Inclusion . The Committee's primary duties and responsibilities are to:

To support the Board in making appropriate, well-informed decisions related to compensation structure of directors and senior administrative staff that will best enable the corporation to fulfill its mission, vision, goals and strategic objectives.

Ensure that the bank has a solid talent pipeline, with active and appropriate succession plans for Director, Executive, and Senior Leadership Roles.

Actively ensure that all Human Capital practices of the Company adhere to federal, state, and local laws and regulations and support the best interests of the Organization, its Shareholders, its Customers, and its Employees.

To effectively perform his or her role, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership.

COMMITTEE ORGANIZATION AND MEMBERSHIP

The Committee shall be composed of three or more directors. Members of the Committee shall be elected and removed by the Board. The committee will elect one of its members as Chairman of the Committee and will choose a Vice Chairman, as well. The Human Capital Management Committee will meet four times per year or more often if necessary.

ROLES AND RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee shall:

- a) Review and approve specific compensation and benefits packages for President/CEO, and other designated senior officers.
- b) Prepare written performance reviews for the President/CEO to present to MVB Board. Establish and monitor CEO's progress on annual goals and objectives.
- c) Review and approve key benefit plan packages annually and whenever significant changes are made to the plans. Review and approve plan providers for health benefits, retirement plans, and other key benefits.
- d) Review and approve job descriptions, salary ranges, bonus plans and employee evaluation format as developed by management.
- e) Review salary and total compensation and benefit packages for MVB staff at least annually to ensure that wages are competitive within target market.
- f) Review and approve personnel guidelines and procedures as developed by management including, but not limited to, talent acquisition, performance management, talent development, succession planning, compensation and benefits, and employee retention efforts.
- g) Review the Board of Directors' compensation to reflect industry standards and make recommendation to the Board.

- h) As needed, contract with legal counsel or HR consultants to provide support for recruitment, hiring, development, compensation, and termination of employees.
- i) Act as Administrative Committee for the 401K Plan.
- j) Engage search firms as needed to recruit and retain senior management or other key officers of the Bank.
- k) Initiate Diversity, Equity and Inclusion activities and outcomes to create and maintain an inclusive workplace in order to ensure compliance with Equal Opportunity laws and associated regulatory guidance.
- l) Complete training as appropriate to ensure the actions of the committee do not bring undue liability upon the Bank or Board.

HUMAN CAPITAL MANAGEMENT LIAISON

The Company's Senior Human Resources Officer, or person delegated similar responsibilities, reports directly to the Committee, and serves as the P&C Liaison. Responsibilities of the P&C Liaison role include:

1. Identifying emerging issues and considerations which require P&C Committee and/or Board notification and/or approval
2. Evaluating and reporting results of Personnel and Compensation
3. Maintaining Master Audit Schedule
4. Coordinating maintenance of Audit Findings Log