

	<b>Title</b>	Charter of the Compensation and Human Resources Committee
	<b>Owner</b>	Human Resources Department
	<b>Last Approval</b>	03/26/2025

## PURPOSE

The Compensation and Human Resources Committee (“Committee”) is appointed by the Isabella Bank Corporation Board of Directors (“Board”) to discharge the Board’s responsibilities relating to the compensation of Isabella Bank Corporation and its affiliates’ (collectively, the “Corporation”) Chief Executive Officer (“CEO”), other Corporation executive officers (collectively, including the CEO, the “Executive Officers”) and the Corporation Directors. The Committee has overall responsibility for evaluating and recommending to the Board all compensation plans, policies and programs.

## COMPOSITION

**Appointment.** Members of the Committee shall be appointed annually by the Board. The members shall serve at the discretion of the Board and until their successors are duly appointed by the Board.

**Resignation and Vacancies.** Any member of the Committee may resign, effective upon giving written notice to the Chair of the Board unless the notice specifies a later time for the effectiveness of the resignation. All vacancies of the Committee, however created, may be filled by the Board.

**Membership.** The Committee shall be composed of at least three members, and the Chair of the Board as Ex. Officio, all of whom must meet the independence requirements of Rule 5605(a) (2) of the NASDAQ Marketplace rules and any standards of independence as may be prescribed for purposes of any federal securities, tax or other laws relating to the Committee's duties and responsibilities. Each member of the Committee shall meet both the definition of "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, as amended. No member of the Committee shall be an officer of the Corporation or have been an officer of the Corporation within the prior three years or an "affiliated person" of the Corporation or any of its subsidiaries. No member of the Committee may have any interlocking relationships required to be disclosed under the federal securities laws, including Item 407(e)(4) of Regulation S-K. Fees for service as a director (and as a committee member or committee chair) are the only compensation that a Committee member may receive directly or indirectly from or on behalf of the Corporation.

**Committee Chair and Secretary.** The Board shall appoint one of the members of the Committee to serve as Committee Chair. The Committee may also appoint a secretary, who need not be a director.

**Advisors.** The Committee shall have the authority, as it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Committee also has the authority, as it deems necessary or appropriate, to request the Corporation to provide the Committee with the support of one or more Corporation employees to assist it in carrying out its duties. The Corporation will provide appropriate funding, as determined solely by the Committee, for payment of compensation to any advisors retained by the Committee.

## RESPONSIBILITIES OF THE COMMITTEE

The Committee shall perform the following responsibilities, which may be supplemented from time to time by any responsibilities expressly delegated to the Committee by the Board:

- Annually review and approve a statement of the Corporation’s philosophy and strategy for the compensation of the Executive Officers.
- Review and make recommendations to the Board concerning compensation of Directors.
- Review and recommend to the Board corporate goals and objectives relevant to CEO compensation including performance objectives.
- Under the leadership of the Chair of the Board, evaluate annually the performance of the CEO in light of these criteria. Review and discuss with the CEO his or her annual evaluation.
- Based on such evaluation, review and recommend to the independent Directors of the Board the annual salary, short-term bonus, long-term incentive awards and other benefits, direct and indirect, of the CEO. Executive Officers may not be present during voting or deliberations with regard to CEO compensation.
- In conjunction with the CEO, review and recommend to the board of directors the other executive officers annual salary, short-term bonus, long term incentive awards and other pertinent benefits.
- In conjunction with executive compensation programs:
  - Review and make recommendations to the Board with respect to the Corporation’s incentive compensation plans, equity-based awards and any other similar plans, and oversee the activities of the individuals responsible for administrating those plans.
  - Review the Corporation’s incentive compensation practices and the relationship among risk, risk management and compensation in light of the Corporation’s objectives, including the avoiding of practices that would encourage excessive risk-taking; for this purpose, the Committee will review and discuss not less than annually the relationship between risk management policies and practices and compensation and to evaluate compensation plans and practices that could mitigate any such risk.
  - Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
- Monitor compliance by executives with the rules and guidelines of the Corporation’s equity-based plans.
- Make recommendations to the Board with respect to any recoupment or “clawback” policies.
- Make recommendations to the Board with respect to any position to be taken by the Board regarding “say on pay” votes and the frequency of such votes.
- In compliance with, and to the extent required by the applicable Securities and Exchange Commission rules and regulations governing large and small reporting companies, relevant listing authority, and banking regulatory agencies, discuss with management the Corporation’s Compensation Discussion and Analysis (“CD&A”) for the annual proxy statement. Based on the review and discussion, recommend to the Board that the CD&A be included in the annual proxy statement; and produce an annual report of the Committee on executive compensation for the Corporation’s annual proxy statement.

- Prepare and report to the Board an annual self-evaluation which shall compare the performance of the Committee with the requirements of this Charter.
- At least annually, review and reassess the adequacy of this Charter and, as appropriate, make recommendations to the Board for approval by the full Board.
- Publicly disclose the Charter and any amendments to the Charter as required by the Securities and Exchange Commission and rules or regulations of any other regulatory body having authority over the Corporation.

The foregoing list of duties is not exhaustive, and the Committee may in addition perform such other functions as may be necessary or appropriate.

## **MEETINGS AND PROCEDURE**

The Committee shall meet as often as necessary, but at least four times each year, to enable it to fulfill its responsibilities. The Committee may meet by telephone conference call or by any other means of remote communication permitted by law. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Corporation and will report its actions to the next meeting of the Board. The Committee may ask members of management, employees, outside counsel or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request. The Committee Chair shall be responsible for leadership of the Committee, including calling Committee meetings, preparing the agenda, presiding over Committee meetings, making Committee assignments and reporting the Committee's actions to the Board from time to time but at least once each year as requested by the Board.

## **GENERAL**

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Corporation whom the Committee members reasonably believe to be reliable and competent in the matters presented;
- Counsel, independent auditors or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person; and
- Another committee of the Board as to matters within its designated authority.

Nothing in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation or members of the Committee.