



**Provident Bancorp, Inc. and  
BankProv  
Joint Compensation Committee Charter**

**I. Joint Compensation Committee Charter**

The Boards of Directors of Provident Bancorp, Inc. and BankProv have established a Joint Compensation Committee (the "Compensation Committee" or the "Committee") and have adopted this Joint Compensation Committee Charter to govern the Committee's operation. Where applicable, references in this charter to the "Company" include Provident Bancorp, Inc. and BankProv, and references to the "Board of Directors" include the Boards of Directors of Provident Bancorp, Inc. and of BankProv.

**II. Purpose**

The Compensation Committee is responsible for human resource policies, salaries and benefits, incentive compensation, executive development and management succession planning.

**III. Organization**

The Committee shall consist of three or more directors, each of whom shall satisfy the definition of independent director, as defined in any qualitative listing requirements for Nasdaq Stock Market, Inc. ("NASDAQ") issuers and any applicable Securities and Exchange Commission rules and regulations. In addition, all members of the Committee shall be "non-employee directors" as defined by Securities and Exchange Commission Rule 16b-3 under the Securities Exchange Act of 1934, as amended. To the extent required by the listing rules, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to the director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to: (i) the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by the Company to the director; and (ii) whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. In determining the independence of any director who will serve on the Committee, the Board of Directors should also consider fees received by the director as: (i) a member of the Committee, the Board of Directors or any other committee of the Board of Directors; and (ii) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service

with the Company. These fees should be considered in the aggregate with all other sources of compensation of the director to determine whether the compensation would impair the director's judgment as a member of the Committee.

Committee members shall be elected by the Board of Directors on an annual basis. Members shall serve until their successors are appointed. The Committee's chairperson shall be designated by the full Board of Directors or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Chief Executive Officer (the "CEO") will meet often with the Committee, but the CEO will not serve as a member of the Committee. The Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three (3), or in the event that the Board of Directors determines that the number of members on the Committee should be increased.

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board of Directors. Any Committee member may resign effective upon giving written notice to the Chairman of the Board of Directors, the Corporate Secretary or the Board of Directors. The Board of Directors shall elect a successor to take office when a removal or resignation becomes effective.

The Committee may form and delegate authority to subcommittees when appropriate, including, if deemed necessary or appropriate, a subcommittee consisting of those members who qualify as "outside directors" under Section 162(m) of the Internal Revenue Code and/or as "non-employee directors" under Rule 16b-3 of the SEC Regulations, which subcommittee shall be authorized to take all actions permitted to the Committee under this Charter.

#### **IV. Structure and Meetings**

The Committee shall meet at least annually, or more frequently as circumstances dictate. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Committee shall keep written minutes of all meetings.

#### **V. Goals and Responsibilities**

In carrying out its responsibilities, the Committee shall have the responsibility for:

- Establishing, reviewing, and modifying from time to time, as appropriate, the overall compensation philosophy of the Company.

- Developing and maintaining an executive compensation policy that creates a relationship between pay levels and corporate performance and returns to shareholders. The Committee shall monitor the results of the policy to assure that the compensation payable to the Company's Executive Officers provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance, and is justified by the returns available to shareholders.
- As appropriate, reviewing and approving management's approach to base compensation, compensation and benefit plans, and other arrangements, or recommending base compensation, compensation and benefit plans, and other arrangements for approval by the full Board of Directors, for Company employees whose compensation is not otherwise reviewed by the Committee under this Charter. Compensation and benefit plans and other arrangements may include amendments to existing plans, cash- and equity-based incentive compensation plans, and non-qualified deferred compensation and retirement plans, as well as employment and severance agreements or arrangements.
- Reviewing and approving any discretionary amounts of the Company's 401(k) matching ESOP and employee Health Insurance contributions.
- Performing an annual performance evaluation of the Chief Executive Officer (CEO) and overseeing the evaluation of the Company's other Executive Officers (as defined in NASDAQ Listing Rule 5605(a)(1) or any successor rule), and determining the compensation for the Company's CEO and other Executive Officers, including salary, bonus, short-term incentives, long-term incentives and all other forms of compensation, including participation in tax-qualified and non-qualified benefit plans. The CEO may not be present during voting or deliberations on his or her compensation. The Committee shall review and establish performance targets as applicable, and participant eligibility for management incentive compensation programs. At the end of any incentive period for any such program, the Committee will evaluate performance under such program and determine the extent to which such program should be funded, as well as specific awards for the CEO and other Executive Officers.
- Establishing annually subjective and objective criteria to serve as the basis for the other Executive Officers' compensation and evaluating the other Executive Officers' performance in light of those criteria and determining the other Executive Officers' compensation based on that evaluation. The Committee may consult with the CEO with respect to the compensation of other Executive Officers.
- Reviewing annually all employment contracts with the Company's Executive Officers and approving the amendment, extension or termination of such contracts as deemed appropriate, and consider any proposed new employment contracts with Executive Officers.
- Reviewing, evaluating and recommending succession planning and management

development for Executive Officers, including the CEO.

- Administering any stock benefit plans of the Company adopted and maintained by the Company.
- Performing such duties and responsibilities as may be assigned to the Committee under the terms of any executive or employee compensation plan.
- Reviewing and recommending to the Board of Directors the compensation of non-employee directors.
- Overseeing an annual review of the relationship between pay and risk taking to identify plans or practices that may encourage employees to take unnecessary or excessive risk.
- Reviewing and discussing with the Company's management the Compensation Discussion and Analysis ("CD&A") disclosure to appear in the Company's Annual Report on Form 10-K and/or annual proxy statement, recommending whether the CD&A should be included in the Annual Report on Form 10-K and/or annual proxy statement, and issuing a report to appear in the Annual Report on Form 10-K and/or annual proxy statement.
- Overseeing the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans.
- Reviewing other mandated disclosures relative to compensation as required

## **VI. Performance Evaluations**

The Committee shall conduct an annual performance evaluation and review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval. The Chairman of the Committee shall lead the Committee in the annual evaluation of its performance. The Chairman shall also discuss the Committee's performance with each member of the Committee.

## **VII. Committee Resources**

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal advisors, compensations consultants or other advisors in accordance with the applicable NASDAQ rules. The Committee shall have available to it the support personnel, including management staff, outside auditors, attorneys, and consultants as it deems necessary to discharge its responsibilities. The Committee shall have the sole authority to retain and

terminate any compensation consultant used to assist the Committee in evaluating executive compensation, including sole authority to approve the consultant's fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal advisor or other advisors retained by the Committee. The Company shall provide the Committee with appropriate funding, as determined by the Committee, to compensate any compensation consultant, legal advisor or other advisor retained by the Committee.

## **VII. Prior Considerations**

Prior to the selection of, or receiving advice from, a compensation consultant, legal counsel or other adviser, the Committee must consider the following factors, as well as any other factors identified by the stock exchange on which Provident Bancorp, Inc.'s shares are listed:

- (i) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (ii) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (iii) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (iv) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (v) Any stock of Provident Bancorp, Inc. owned by the compensation consultant, legal counsel or other adviser; and
- (vi) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

Document Author	Dan Lutz
Document Approver	BOD
Document Owner	Executive Administration
Original Issue Date	Unknown
Last Review Date	November 29, 2021
Next Review Date	October 2024
Classification/Updated Language	Charter

Date	Change	Reference Sections	Approver Name
March 14, 2019	Added verbiage	V. Goals & Responsibilities	Board of Directors
March 12, 2020	Ratification	n/a	Board of Directors
August 6, 2020	Ratification	n/a	Compensation Committee
March 22, 2021	Edits and added verbiage	V. Goals & Responsibilities	Compensation Committee
March 25, 2021	Edits and added verbiage	V. Goals & Responsibilities	Board of Directors
November 9, 2021	Ratification		Compensation Committee
January 27, 2022	Ratification		Board of Directors
December 6, 2022	Edits	V. Goals & Responsibilities	Compensation Committee
August 3, 2023	Ratification		Compensation Committee
September 28, 2023	Ratification		Board of Directors