



## **AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER**

The Compensation Committee (the “*Committee*”) is a standing committee of the Board of Directors (the “*Board*”) of U.S. Century Bank (the “*Bank*”).

### **1.0 PURPOSE AND CERTAIN CONSIDERATIONS**

**A.** This Committee is responsible for reviewing, evaluating and approving the compensation for the Bank’s directors and executive officers including the Chief Executive Officer (the “*CEO*”) and the other executive officers, and for the oversight of all the compensation plans, policies, and programs of the Bank in which the executive officers participate and certain other incentive, retirement, welfare, and equity plans in which all other employees of the Bank participate and for such other matters as described herein.

**B.** For purposes of this Charter, the term “*compensation*” shall include salary, long-term incentives, cash incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans. The term “*executive officer*” shall have the meaning ascribed to such term in Section 16 under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”) and Rule 16a-1(f) promulgated thereunder. The term “*employees*” shall include employees of the Bank and its subsidiaries. The term “*Say-on-Pay Vote*” shall mean the advisory shareholder vote on executive compensation required by Section 14A of the Exchange Act, if and when the Bank is required to hold such shareholder vote.

### **2.0 COMMITTEE QUALIFICATIONS AND MEMBERSHIP**

The Committee shall consist of three or more members, each of whom shall be a director serving on the Board. Each member of the Committee shall satisfy the independence and other requirements for compensation committee members, subject to any exceptions permitted by these requirements, imposed by:

- (a) the listing rules of the NASDAQ Stock Market;
- (b) the Exchange Act, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder, as applied by the Federal Deposit Insurance Corporation (the “*FDIC*”); and
- (c) any other laws, rules or regulations applicable to the Bank or its subsidiaries.

At least two members of the Committee must qualify as a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act.

The members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. The Board may fill vacancies on the Committee as provided herein and remove a member of the Committee in its discretion, at any



time, with or without cause. The Board upon recommendation of the Nominating and Corporate Governance Committee shall designate a member of the Committee as the Chair of the Committee.

### 3.0 COMMITTEE AUTHORITY AND RESPONSIBILITIES

**A. Board Compensation.** The Committee shall annually, in consultation with such other sources as it deems appropriate, including without limitation, compensation consultant(s), review the form and amount of director compensation, and shall approve and when appropriate, recommend to the Board for approval, such compensation for the succeeding year. In recommending directors' compensation, the Committee shall consider, among other things, the appropriateness of the payment of directors' compensation in whole or part in equity, the Bank's financial performance and stock performance, compensation of directors at comparable companies, and the compensation paid to directors in past years.

**B. Approval of CEO's Employment Terms.** The Committee shall, in consultation with such other sources as it deems appropriate, including without limitation, its compensation consultant(s) and the other independent directors, review, evaluate and approve and when appropriate, recommend to the Board for approval, all terms and conditions of the appointment or termination of the CEO's employment. In addition, the Committee shall approve and when appropriate, recommend to the Board for approval, any change in the CEO's employment terms and conditions (not otherwise provided for herein), including any restrictive covenants, severance agreements, or special arrangements or benefits.

**C. Review and Determination of CEO's Compensation.** The Committee shall annually review and approve corporate goals and objectives relevant to the CEO's compensation (the "**Goals**") for the upcoming year, evaluate the CEO's performance in light of the respective Goals approved for the year under consideration, and review, determine, and approve the CEO's compensation level, based in part on the CEO's performance and on other factors as determined by the Committee. In evaluating and determining the CEO's compensation, the other factors to be considered shall include, among other things, the Bank's financial performance, compensation trends, the total compensation of chief executive officers at comparable financial institutions, the compensation history of the CEO and the most recent Say-on-Pay Vote. In connection with the foregoing, the Committee shall annually report to the Board with respect to the total compensation and other terms of the CEO including (a) annual base salary level, (b) incentive opportunity level, including short-term and long-term incentives, (c) employment terms and conditions, including restrictive provisions, severance arrangements, and change in control agreements/provisions, in such cases as, when, and if appropriate, and (d) any special or supplemental arrangements or benefits. The CEO may not be present during voting or deliberations on his or her compensation.

**D. Approval of Other Executive Officers' Employment Terms.** In addition to approving the CEO's compensation, the Committee shall approve and when appropriate, recommend to the Board for approval, all terms and conditions of the appointment or termination of all the other executive officers. In addition, the Committee shall approve and when appropriate, recommend to the Board for approval, any change in such executive officers' employment terms and conditions (not otherwise provided herein), including any restrictive covenants, severance arrangements, special arrangements or benefits, and any changes in total compensation outside of the annual review and award process (as contemplated by paragraph E. below).



**E. Review and Determination of Other Executive Officers' Compensation.** In addition to its review of the CEO's compensation, the Committee shall annually review, evaluate, and approve and when appropriate, recommend to the Board for approval, the total compensation of all the other executive officers, including awards provided under incentive compensation plans and equity-based plans, taking into account, among other things, the reported assessment of their individual performance by the CEO, the Bank's financial performance, compensation trends and the most recent Say-on-Pay Vote. In connection with the foregoing, the Committee shall annually report to the Board with respect to the total compensation and other terms of such executive officers including (a) annual base salary level, (b) incentive opportunity level, including short-term and long-term incentives, (c) employment terms and conditions, including restrictive provisions, severance arrangements, and change in control agreements/provisions, in such cases as, when, and if appropriate, and (d) any special or supplemental arrangements or benefits.

**F. Administration of Incentive Compensation and Equity-Based Plans.** The Committee shall review and determine, and where appropriate or required, recommend to the Board and/or the Bank's shareholders for approval, all incentive compensation plans and equity-based plans and all terms thereof in which executive officers participate. The Committee shall also have the authority to administer the Bank'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, evaluating, making recommendation, or approving incentive compensation plans and equity-based plans in which executive officers participate, the Committee shall consider the results of the most recent Say-on-Pay Vote.

**G. Administration of Other Plans.** Subject to Board approval where so provided, the Committee shall be responsible for the oversight of, and shall have authority to take all actions including, without limitation, adoption, termination, and amendment, with respect to all qualified or non-qualified retirement, health, deferred compensation or other benefit plans, schemes, programs, and arrangements that are made available to the employees of the Bank, consistent with applicable law.

**H. Stock Ownership Guidelines.** The Committee may establish stock ownership guidelines and shall review on an annual basis the level of ownership of the Bank's common stock by the CEO, all the other executive officers and directors.

**I. Compensation Proposals.** The Committee shall provide recommendations to the Board on compensation-related proposals to be considered at the Bank's annual shareholder meeting, including those related to the Say-on-Pay Vote and the frequency of such Say-on-Pay Vote. The Committee shall review and consider the results of the Bank's most recent Say-on-Pay Vote, if any, and any other feedback garnered through the Bank's ongoing shareholder outreach in effect from time-to-time, and recommend to the Board whether and, if so, how the Bank should respond to Say-on-Pay Vote outcomes and shareholder feedback.

**J. Compensation Discussion and Analysis.** To the extent the Bank is required to prepare such analysis, the Committee shall review and discuss with management the Bank's Compensation Discussion and Analysis contemplated by Item 402(b) of Regulation S-K ("*CD&A*") promulgated pursuant to the Exchange Act, as required by FDIC rules. The Committee



shall consider annually whether it shall recommend to the Board that the CD&A be included in the Bank's annual report on Form 10-K ("**Form 10-K**") or its annual meeting proxy statement ("**Proxy Statement**"), as the case may be. The Committee shall prepare and produce the Compensation Committee Report required to be included in the Bank's Form 10-K or Proxy Statement by Item 407(e)(5) of Regulation S-K, as required by FDIC rules.

**K. Risk Assessment.** The Committee shall annually review the Bank's compensation policies and practices for its employees and consider whether risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Bank. If the Committee determines such risks are likely to have a material adverse effect on the Bank, then the Committee should review the Bank's related proxy statement disclosure regarding such risks under Item 402(s) of Regulation S-K, as required by FDIC rules.

**L. Clawback Policy.** The Committee shall review and approve the implementation or revision of any clawback policy allowing the Bank to recoup compensation paid to executive officers and other employees.

**M. General Authority.** The Committee shall perform such other functions and have such other powers as may be necessary or appropriate in discharging this Charter or to comply with applicable laws, rules and regulations.

#### **4.0 OUTSIDE ADVISORS AND FUNDING**

The Committee shall have the authority, in its sole discretion, to select, retain (and terminate) and obtain the advice of compensation consultants, independent legal counsel and other advisors to assist with the execution of its duties and responsibilities. The Committee shall be directly responsible for the appointment (including the terms thereof), compensation, oversight and performance evaluations of the work of any such compensation consultants, independent legal counsel and other advisors retained by the Committee. The Committee shall receive appropriate funding from the Bank, as determined by the Committee, for the payment of reasonable compensation to its compensation consultants, independent legal counsel and any other advisors the Committee retains.

The Committee shall only select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, after taking into consideration the factors specified in NASDAQ Listing Rule 5605(d)(3), which are:

(a) the provision of other services to the Bank by the person who employs the compensation consultant, legal counsel or other adviser;

(b) the amount of fees paid by the Bank to the person who employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person who employs the compensation consultant, legal counsel or other adviser;

(c) the policies and procedures of the person who employs the compensation consultant, legal counsel or other adviser, designed to prevent conflicts of interest;



(d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

(e) any stock of the Bank owned by the compensation consultant, legal counsel or other adviser; and

(f) any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Bank.

The Committee may retain, or receive advice from, any compensation adviser it prefers, including those who are not independent, after considering the above-specified factors. The Committee is not required to assess the independence of any compensation consultant or other adviser who acts in a role limited to (1) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers, other executive vice presidents or directors and that is generally available to all salaried employees and/or (2) providing information that is not customized for a particular company or is customized based on parameters 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, as required by FDIC rules.

Nothing in this Section shall be construed to: (a) require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, outside counsel or other adviser to the Committee; or (b) affect the ability or obligation of a Committee to exercise its own judgment in fulfillment of the duties of the Committee.

## **5.0 DELEGATION**

(a) The Committee may create a subcommittee of the Committee consisting of one or more directors on the Committee and may delegate any of its duties and responsibilities to such subcommittee, unless otherwise prohibited by applicable laws or listing rules.

(b) The Committee may delegate any of its duties and responsibilities, including the administration of equity incentive or employee benefit plans, to one or more directors on the Committee, another director or other persons (including executive officers), unless otherwise prohibited by applicable laws or listing rules.

(c) Any subcommittee, director or other person will provide a written or oral report to the Committee regarding any activities undertaken pursuant to such delegation.

(d) The Committee may terminate any such subcommittee and revoke any such delegation at any time.



## **6.0 MEETINGS; PROCEDURES; COMPENSATION AND REPORTING**

The Committee shall meet and hold such regular or special meetings as its members deem necessary or appropriate. The Chair, in consultation with the other members of the Committee, will determine dates, times, and places of Committee meetings. Meetings may be held in person or via telephone or video conference. A quorum consisting of a majority of the members of the entire Committee must be present for the purpose of transacting any business of the Committee. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee. The Committee may also act by unanimous written consent.

The Committee shall keep regular minutes of its meetings, and the Committee members shall review and approve the minutes. The minutes shall be reported to and available for review by the Board, any regulatory agency having jurisdiction over the affairs of the Bank or as otherwise determined by the Board or Committee. The Committee may also appoint a Secretary, who need not be a director.

The Committee may request that any directors, members of management or other employees of the Bank and its subsidiaries, or other persons whose advice and counsel are sought by the Committee to attend any meetings of the Committee 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 have full access to all employees, books, research, data and other records of the Bank and its subsidiaries as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. In performing their responsibilities, members of the Committee are entitled to rely in good faith on research, data and other records of the Bank and its subsidiaries and the other information, opinions, reports, or statements prepared or presented by one or more members of management or other employees of the Bank or its subsidiaries or other persons whom the members reasonably believe to be reliable and competent in matters presented.

Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board or a committee designated by the Board, which may include additional compensation for the Chair. Such fees may include retainers or per meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with applicable law.

The Committee shall report to the Board regularly and as otherwise as the Board or the Committee determines appropriate. The Committee shall also coordinate and provide reports to other committees of the Board as may be necessary or appropriate in performing its obligations under this Charter.

## **7.0 PERFORMANCE EVALUATION; CHARTER REVIEW AND AMENDMENT**

The Committee shall review, discuss, and assess its own performance and that of its members at least annually, including a review of the Committee's compliance with this Charter.



In addition, the Committee shall review this Charter, at least annually, and evaluate whether it appropriately addresses the matters that are or should be within its scope. As a result of this review and evaluation, the Committee shall recommend any proposed changes to the Charter for Board approval. The Board may amend or repeal this Charter and amend the duties of the Committee at any time the Bank shall publish or otherwise make publicly available this Charter in accordance with the rules and regulations promulgated pursuant to the Exchange Act, as applied by the FDIC.

***Charter History:***

Adopted June \_\_\_, 2021 (*effective upon completion of the Bank's initial public offering*)