

<p align="center">Salisbury Bank and Trust Company</p>	<p align="center">Policy Regarding Excessive or Luxury Expenditures</p>	<p>Board Approved: March 27, 2020 Last Revision: March 29, 2019 Accountability: All departments Individual: Richard J. Cantele, Jr., President & Chief Executive Officer</p>
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Statement of Need

The Boards of Directors of Salisbury Bancorp, Inc. and Salisbury Bank and Trust Company (together, the “Company”) hereby adopt this Policy on a Company-wide basis. This policy applies to all employees, officers and directors of the Company. Expenditures by the Company which would constitute “excessive or luxury expenditures”, or which would constitute unsafe or unsound banking practices as may be construed by state or federal bank supervisory agencies acting with proper jurisdiction, shall be prohibited.

Such expenditures may include, but are not limited to, those relating to:

- Entertainment or events;
- Office or facility renovations;
- Corporate aircraft or other transportation services; or
- Other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of business operations of the Company.

Entertainment or Events

Entertainment is defined as activities for which an employee or management would use corporate funds for business development purposes relating to current or prospective customers or to enhance the Company’s marketing efforts or perception in the market. The expectation is that all expenses incurred for these activities would be for corporate purposes with the objective of attracting business to the Company. Examples of entertainment include: taking customers or prospects to restaurants, theater, sports events, concerts, golf, and other activities that the customer/prospect might find enjoyable to provide an opportunity to enhance business relationships. Expenditures for these purposes in the normal course of business are a necessary part of the Company’s marketing efforts and are not deemed a “luxury” or a violation of this policy. Prior approval for expenditures of this nature is not required provided they are consistent with the Company’s normal practices. Entertainment and event expenditures anticipated to be in excess of \$500 must be reviewed and approved by the Senior or Executive Vice President who oversees the department/division prior to expenditure.

Office or Facility Renovations

Office and/or facility renovations are permitted only for approved projects that are part of the Company’s approved annual financial plan. An exception to this may be permitted to allow Management to deal with emergency situations, such as an act of nature, and the expenditure is necessary to keep the facility operational for customer use. Renovations must be in all regards consistent with the Company’s historical standards of utility and finish. The planning and cost of most significant renovations is primarily overseen by Management with final approval by the Board of Directors. At no time should renovations be undertaken that would have the appearance of being extraordinary or excessive from a shareholder perspective.

Aviation and Other Transportation Services

Transportation for Company staff to outlying locations, including for conferences, business development purposes and other purposes should be conducted in the most appropriate manner. Permitted modes of transportation include automobiles and commercial air, bus or rail service. The selection of transportation services should include assessment of cost, efficiency, and timeliness of travel.

Other Activities or Events

Events may include meetings, conferences, and employee recognition events that are intended to provide the Board, management and employees with opportunities for individual and team education, development and recognition, business planning, market and industry networking, and related business purpose objectives. Meetings may include both those that are internally organized as well as those organized by other banks, trade associations, vendors and similar organizations. Occasionally, Company meetings are held at external facilities in order to accommodate the size of the group, facilitate better delivery of the meeting, or to provide participants with a venue that is most conducive for the meeting's purpose. Directors, management and employees may also participate in meetings hosted by other business partners that have a clear business purpose. Conferences typically offer educational, skill development and industry networking opportunities that enhance participant performance. These conferences should be related to the financial services industry and have a direct correlation to the attendee's job. At times it may be appropriate for a spouse to travel with attendees. Conference participation is subject to approval by the attendee's immediate supervisor. Conference expenditures anticipated to be in excess of \$500 must be reviewed and approved by the Senior or Executive Vice President who oversees the department/division prior to expenditure. Employee recognition meetings, dinners and events are held occasionally to recognize the contribution of an individual, team or all employees. The cost of such meetings must be approved in advance by the Senior or Executive Vice President who oversees the department/division. In the event that other significant expenditures not specifically covered by the policy arise, the CEO or CFO shall make a determination regarding the action that is most appropriate under the circumstances, including, if necessary, consultation with the Board of Directors.

Any expenditure with respect to such matters or similar matters which may be an "excessive or luxury expenditure" or unsafe or unsound banking practice or which would represent a material departure from the historical prudent spending practices of the Company or a departure from the prudent industry standards of comparable community-based financial institutions in the Northeastern United States must be presented in writing by the Company's management with its recommendation to the Board of Directors in advance for the Board's approval, which approval, if granted, shall be supported by a written record sufficient to support the decision that such expenditure is not an "excessive or luxury expenditure" or would not constitute an unsafe or unsound banking practice or a departure from prudent industry standards which would expose the Company to an unreasonable risk of loss.

Policy Compliance

Any violation of this policy must be promptly reported to the Audit Committee of the Board of Directors. Contact telephone numbers are as follows:

David B. Farrell	(413) 822-7364
Holly J. Nelson	(518) 789-4890

Violation of this policy may result in disciplinary action, up to and including termination of employment.

Policy Accountability

The CEO and CFO of the Company shall be responsible for maintaining Company-wide standards reasonably designed to eliminate excessive and luxury expenditures, other than reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of business operations of the Company. The CEO and/or CFO will promptly notify the Board of Directors if it is determined that any employee has failed to comply with the foregoing policy.

Policy Maintenance

A copy of this policy, and any material amendments to this policy, will be posted on the Company's website.

Policy Review

A review to examine and evaluate the adequacy and effectiveness of this policy, as well as compliance with relevant laws, regulations, and/or best practices will be performed annually and submitted to the Board of Directors for review and approval.