

SALISBURY BANCORP, INC.
SALISBURY BANK AND TRUST COMPANY
HUMAN RESOURCE AND COMPENSATION COMMITTEE CHARTER

PURPOSE

The purpose of this Charter is to address the responsibilities delegated by the Board of Directors (Board) to the Human Resource and Compensation Committee of the Board (Committee). The Committee's role is to assist the Board in promoting the best interests of Salisbury Bancorp, Inc. (the "Company") and Salisbury Bank and Trust Company (the "Bank") collectively, the Company and the Bank shall be referred to as ("Salisbury") through the implementation of sound compensation principles and practices.

RESPONSIBILITIES

The Committee is responsible for the appropriate governance of total compensation of directors and executive management of Salisbury (the executive management shall be referred to as the "Executive Management Team"). For purposes of this Charter, "executive management" means all individuals qualifying as "officers" of Salisbury, as defined by Rule 16a-1(f) of the Securities and Exchange Commission Regulations.¹ "Compensation" includes base compensation, short-term incentive compensation, long-term incentive compensation, benefits, and perquisites.

Compensation and benefit matters related to the Chief Executive Officer (CEO) of the Company must also be approved by all outside (non-employee) members of the Company's Board. The Committee may also be responsible for compensation and benefit programs for certain non-Executives. It may delegate to management the implementation of as much responsibility and authority as it deems advisable.

The Committee assists the Board in its oversight of the evaluation and succession planning of the CEO and the Executive Management Team.

The Committee assists the Board with its oversight of the total compensation paid to the members of Salisbury's Board of Directors for their service as Board members. The primary responsibilities of the Committee are:

- to assure the development and implementation of sound compensation principles and practices that adhere to Salisbury's core values and beliefs;
- to ensure that no compensation plan or practice promotes excessive risk-taking or encourages behavior inconsistent with Salisbury's vision, strategy or compensation philosophy;
- to ensure that the Chief Executive Officer, Executive Management Team, key employees, non-Executive employees and Board members of Salisbury are compensated effectively in a manner consistent with Salisbury's performance,

¹ The term "officer" is defined in Rule 16a-1(f) of the Securities Exchange Act as: the Company's president, principal financial officer or principal accounting officer and any vice president in charge of a principal business unit, division or function, other officer of the Company who performs a policy-making function, or other person who performs similar policy-making functions for the Company.

compensation philosophy, internal equity considerations, competitive practice and the requirements of appropriate regulatory bodies; and

- to review and act on major changes to all of the Bank's:
 - base and incentive compensation structures and plans;
 - qualified and non-qualified retirement plans;
 - health and welfare plans;
 - related employment arrangements and policies; and
 - performance review and succession plans for the Chief Executive Officer, the Executive Management Team, and key Executives as determined by the Committee.

- to determine the peer group used in assessing competitive compensation trends. The Committee may rely on the advice of an independent compensation consultant or other resources to assist in the peer selection process.

- to prepare the Compensation Committee Report and review and approve the Compensation Discussion and Analysis section for the Company's annual proxy statement or similar compensation disclosure required under other applicable regulatory filings.

COMPOSITION

The Human Resource and Compensation Committee is established pursuant to the By-Laws of Salisbury. Committee members, who must number at least three (3) Directors, are appointed by the Board and may be replaced by the Board. A majority of the members of this Committee shall constitute a quorum. Each of the Committee members shall meet the independence requirements of the stock exchange on which the Company's shares are listed and qualify as an "outside director" under Section 162(m) of the Internal Revenue Code and as a "non-employee director" under Rule 16b-3 of the SEC Regulations. The Board of Directors shall appoint a new member or members in the event 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 Committee may appoint a Secretary, who need not be a Director. The Board shall appoint the Committee Chair. The Board may remove the entire Committee or any individual committee member with or without cause. Any committee member may resign effective upon giving written notice to the Board Chair, the Board, or the Corporate Secretary. The Board may appoint a successor to take office when a resignation becomes effective.

The Committee shall meet as often as necessary, but not less than three (3) times per year; the affirmative vote of a majority of the members present at a meeting at which a quorum is present shall constitute action of the Committee. The Committee shall report to the Board at the next meeting of the Board following each such Committee meeting. The Committee Secretary will keep minutes of all Committee meetings which will be distributed to all Board members. The Committee Secretary will coordinate the dissemination of materials to members of the Committee, to the extent practicable.

The Committee may meet in person or by teleconference or other means of electronic communication that enable the members to communicate effectively. Members of the Committee shall receive compensation, as fixed by the Board of Directors, for actual attendance at Committee meetings.

The Chief Executive Officer (“CEO”) is prohibited from being present during voting or deliberation of matters involving CEO compensation and/or benefits. The CEO may be present and may participate during deliberations but may not vote on the compensation and/or benefits of other executive officers.

DUTIES AND AUTHORITY

In order carry out its purposes, the Committee shall have the following duties and authority.

- Administer the Bank’s compensation and benefit plans and, from time to time, approve or recommend to the Board changes to any compensation or benefit plan the Committee deems appropriate and consistent with all regulations and sound compensation principles and practices which do not encourage inappropriate risk-taking.
- Recommend to the Board of Directors adjustments regarding the compensation of the CEO based upon its assessment of the CEO’s performance and Salisbury’s performance, and make other recommendations as necessary and appropriate.
- Review and agree upon goals and objectives for the CEO for the upcoming fiscal year and recommend approval of such goals and objectives to the Board of Directors.
- Approve base and short-term compensation of Salisbury’s Executive Management Team or other employees as designated by the Committee from time to time, taking into account Bank and individual performance, as well as Peer Group practices and any other considerations it deems appropriate.
- Recommend to the full Board of Directors adjustments to the compensation and benefits of the members of the Board.
- Review and evaluate Salisbury’s succession plans for the CEO and the Executive Management Team.
- Review and recommend to the full Board, individuals proposed by the CEO to hold the position of Executive Vice President or equivalent position.
- Perform such functions as may be assigned to it from time to time by the Board or as may be required by applicable rules and regulations.
- Report regularly to the Board on its activities with such recommendations and other matters as the Committee may deem appropriate, so that the Board is informed of the Committee’s activities.
- Maintain minutes of its meetings and records relating to those meetings and to the Committee’s activities.

- Annually review and reassess the adequacy of Salisbury's Charter and recommend to the Board any proposed changes to the Charter.
- Meet in executive session to review such matters as the CEO's total compensation.
- Evaluate shareholder proposals related to executive compensation.
- Review and evaluate personnel matters and other organizational issues that may be referred to the Committee from time to time by the CEO and/or the Board of Directors.
- Review and revise the Company's Compensation Clawback Policy, as the Committee deems appropriate from time to time or as necessary to comply with applicable law or the listing standards of the stock exchange on which the Company's shares are listed.

Delegation to Subcommittee

The Committee may, in its discretion, delegate any portion of its duties and responsibilities to a Subcommittee of the Committee.

Resources and Authority

The Committee shall have the authority and resources appropriate to discharge its duties and responsibilities at Salisbury's expense, and may obtain advice from external legal, accounting, compensation consultants or other advisors. The Committee shall have the sole authority to select and retain its own consultants to assist in the evaluation of Executive compensation, to terminate the services of any such consultant, and to approve the consultant's fees and other retention terms, all at Salisbury's expense. The Committee shall review the independence of its advisers in accordance with the independence standards of the stock exchange on which the Company's shares are listed. In conducting its review, the Committee shall take into consideration the following factors:

- the provision of other services to the Company by the person that employees the compensation consultant, legal counsel or other advisor;
- amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor, that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;

- any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
- 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 Company.

Notwithstanding the foregoing, the Committee retains the ability and obligation to exercise its own judgment in the fulfillment of its duties and shall not be required to implement or act consistently with the advice or recommendations of its advisers.

In performing responsibilities, each Committee member is entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Bank whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- Counsel, independent auditors, or other outside advisors as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; and
- Another Committee of the Board as to matters within its designated authority which the Committee member reasonably believes to merit confidence.

Last reviewed and approved by the Human Resource and Compensation Committee on November 20, 2019

Last reviewed and approved by the Board of Directors on November 22, 2019