

## **EDGEWATER BANK**

### **COMPENSATION COMMITTEE CHARTER**

#### **I. Compensation Committee Charter**

The Board of Directors (the “Board”) of Edgewater Bank (the “Bank”) has established a Compensation Committee (the “Committee”) and has adopted this Compensation Committee Charter to govern the Committee’s operation.

#### **II. Purpose**

The Compensation Committee is established by the Board of Directors of the Bank to assist the Board in fulfilling its responsibilities relating to the compensation and benefits provided to the Bank’s non-CEO employees. The Committee is authorized to review, evaluate and recommend various benefit plans and overall compensation for the Bank and its wholly owned subsidiaries.

#### **III. Committee Membership**

The Committee shall be composed of a minimum of three directors who are not employees of the Bank and who are, in the opinion of the Board, free from any relationship that would interfere with the exercise of independent judgment as a member of the Committee.

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed and qualified. Unless a Chair is appointed by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership.

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, 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, the Secretary or the Board of Directors. The Board shall appoint a successor when a resignation becomes effective.

#### **IV. Committee Dual Role**

The Compensation Committee of Edgewater Bancorp, Inc. may serve as the Bank’s Compensation Committee, fulfilling all duties and responsibilities of the Committee as detailed in this Charter.

#### **V. Meetings**

The Committee shall meet at least annually, and may hold additional meetings as needed or appropriate. The Committee may ask members of management or others, including legal counsel, to attend meetings or to provide relevant information. A majority of the entire Committee membership shall constitute a quorum, and all actions taken by the Committee shall require the affirmative vote of a majority of the membership of the Committee.

## **VI. Authority and Responsibilities**

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. Establish, review, and modify from time to time as appropriate the overall compensation philosophy of the Bank, inclusive of establishing overall annual compensation increase levels through the annual budgeting process.
2. Review and evaluate the CEO's recommendations relative to compensation for all non-CEO employees, based on the overall compensation philosophy as established by the Committee and the Board of Directors.
3. Review, evaluate and recommend succession planning and management development for executive officers, including the CEO.
4. Review, evaluate and recommend to the full Board, the terms of employment and severance agreements/arrangements for certain officers, including any change of control and indemnification provisions, as well as other compensatory arrangements for executive management.
5. Appoint any compensation and benefits consultant, legal counsel or other advisor used to assist the Committee in fulfilling its responsibilities.
6. Report to the full Board of Directors any actions taken for ratification by the Board, as necessary.
7. Annually review and assess the adequacy of this Charter and recommend changes to the Board as needed.