NORTHEAST BANK

RISK MANAGEMENT COMMITTEE CHARTER

I. General Statement of Purpose

This Charter addresses the composition and independence, principal responsibilities, and operating guidelines of the Risk Management Committee of the Board of Directors (the "Risk Committee" or "Committee") of Northeast Bank (the "Bank").

The purposes of the Risk Committee are to:

- Approve the Bank's risk appetite statement and enterprise risk management framework, as well as monitor key Bank risks and evaluate the effectiveness of the management thereof;
- Approve the Bank′s risk management policies to manage various categories of risk;
- Review the Bank's actual risk profile against its risk appetite; and
- Provide a forum for consideration and discussion of trends and emerging risks.

II. Composition and Independence; Experience and Authority

The Board of Directors has determined that the Risk Management Committee shall be established and operated so as to assure that it functions with the highest practicable degree of independence. Accordingly:

- The Committee is comprised entirely of independent directors;
- The Committee meets without management present regularly and as needed; and
- The Committee has the authority to engage independent advisors, paid for by the Bank, to help it make the best possible decisions regarding risk management.

The Committee shall be comprised of members of the Board of Directors in such number as is determined by the Board regarding the by-laws of the Bank, applicable laws, rules and regulations and any other relevant considerations.

No member of the Committee may be an officer or retired officer of the Bank. Every member of the Committee shall be "independent" of the Bank as determined by the Board of Directors, taking into account standards of "independence" established under laws, regulations and governmental policies applicable to the Bank.

The members of the Committee shall be appointed by the Board, upon recommendation of the Nominating and Corporate Governance Committee, and shall serve until their successors are appointed. A Chairperson will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee, failing which the members of the Committee may designate a Chairperson by majority vote. The Committee may from time-to-

time delegate to its Chairperson certain powers or responsibilities that the Committee itself may have hereunder.

All members of the Committee should have an understanding of issues related to risk management or related business experience or be willing and able to acquire the necessary knowledge quickly. Committee members may enhance their familiarity with risk management issues by participating in educational programs conducted or arranged by the Bank or the Committee, or by conferring with an outside consultant approved by the Committee.

In fulfilling the responsibilities set out in this Charter, the Committee has the authority to conduct any investigation and access any officer, employee or agent of the Bank appropriate to carry out its responsibilities, including, without limitation, the Bank's independent auditors. The Committee may also obtain advice and assistance from outside legal, accounting or other advisors as the Committee deems necessary to carry out its duties and may retain and determine the compensation to be paid by the Bank for such independent counsel or outside advisor in its sole discretion without seeking Board approval.

III. Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee shall meet with the Chief Risk Officer of the Bank at each regularly scheduled meeting, and other selected members of management as considered necessary by the Committee, to discuss any matters that the Committee believes should be discussed to fulfill their responsibilities. The Committee may meet privately with the Chief Risk Officer. The Committee may meet jointly with the Audit Committee to review and discuss the results of federal or state bank regulatory examinations of the Bank, although these discussions may take place at meetings of the full Board of Directors. The Committee may also meet with the Bank's independent auditors from time to time as determined by the Committee.

To facilitate open communication between this Committee and the Audit Committee, if the Chair of the Audit Committee is not a member of this Committee, he or she shall receive notice of and attend by invitation of this Committee, as a non-voting observer, each meeting of this Committee and receive the materials for each such meeting.

All independent directors who are not members of the Committee have a standing invitation to attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings such other persons as it deems appropriate to carry out its responsibilities. The Committee may also exclude from its meetings any persons including directors, it deems appropriate to carry out its responsibilities.

IV. Duties and Responsibilities

To fulfill its responsibilities, the Committee shall satisfy itself that sound policies and practices are implemented for the management of key risks under the Bank's enterprise risk framework, which includes credit, liquidity, interest rate, operational, cybersecurity, compliance, and strategic risks. More specifically, the Committee shall:

A. Risk Appetite, Risk Identification and Monitoring

- Review and approve the Bank's Risk Appetite Statement, risk tolerance guidelines, and enterprise risk management framework at least annually and on the recommendation of the Chief Risk Officer. Recommend any changes to the Bank's Risk Appetite Statement to the Board of Directors.

- Review the Bank's actual risk profile against its risk appetite as well as any exceptions thereof as reported by senior management. This information may be used as input for the Compensation Committee in determining incentive compensation.

- Receive presentations and other information to understand the significant and emerging risks to which the Bank is exposed.

- Review with management the Bank's processes for risk identification and monitoring, as well as the Bank's risk of non-compliance with any specific operating conditions (including requirements relating to capital ratios, concentrations of credits, growth restrictions, etc.) imposed by regulatory authorities.

- Review and approve risk management policies recommended by the Bank's management, and review periodically, but at least once a year, the management programs related thereto to oversee compliance with such policies. Specifically, the Committee shall have the primary responsibility for reviewing risk policies related to the following:
    - insurance (risk mitigation)
    - compliance risk
    - operational risk
    - cybersecurity risk

- Review, on a regular basis, the Bank's risk management performance and obtain reasonable assurance that the Bank's risk management policies are being adhered to.

- Incidental to the Committee's overall responsibility for risk policies, the Committee may request reports from auditors on, and consider compliance with, internal control policies and the effectiveness of internal control procedures. As necessary, the Committee shall periodically monitor the independent assessment by the Bank's internal auditor of significant risk-related issues.

- Review and approve any other matters required by the Federal Deposit Insurance Corporation or the Superintendent of Banks of the State of Maine, as well as other relevant regulators.

B. Risk Management Governance and Oversight

The Committee shall oversee the enterprise risk management function of the Bank, including reviewing the performance of the Chief Risk Officer. The Committee shall satisfy itself that the Chief Risk Officer has adequate resources and independence to perform his or her responsibilities. In addition, the Committee shall:

- Confirm the appointment and dismissal of the Chief Risk Officer of the Bank as needed;

- At least annually, assess the effectiveness of the risk management function;

- Annually convey its view of the performance of the Chief Risk Officer to the Chief Executive Officer of the Bank as input into the compensation approval process;

- Review regular reports prepared by the Chief Risk Officer, together with management's responses and follow-up on outstanding issues, as necessary; and

- Provide a forum for the Chief Risk Officer to raise any risk issues or issues with respect to the relationships and interactions between Enterprise Risk Management and senior management of the Bank, the independent auditors, the outsourced internal auditors and/or regulators.

C. General

The Committee shall have the following additional general duties and responsibilities:

- Review and assess the adequacy of this Charter at least annually and submit this Charter to the Nominating and Corporate Governance Committee and the Board for approval upon amendment.

- Conduct an annual self-evaluation of the Committee to assess its effectiveness in fulfilling its mandate.

- Perform such other functions and tasks as may be mandated by regulatory requirements applicable to risk management committees or delegated by the Board.

- Review changes to key regulatory requirements relating to risk management to the extent they apply to the Bank.

- Report to the Board on material matters arising at Risk Committee meetings following each meeting of the Committee.

- Maintain minutes of meetings and activities of the Committee.