



# POLICY

## CORPORATE GOVERNANCE POLICY

NORTHEAST COMMUNITY BANCORP, INC.  
CORPORATE GOVERNANCE POLICY

(Effective as of March 3, 2021)

1. Duties and Responsibilities of the Board of Directors and Each Director

The Board of Directors (the “Board”) of Northeast Community Bancorp, Inc. (the “Company”) is responsible for promoting and acting in the best interests of all stockholders of the Company. The Board is the ultimate decision-making body of the Company except with respect to those matters reserved to stockholders. The business and affairs of the Company are managed by its officers under the direction of the Board.

Each director owes fiduciary duties of loyalty and care to the Company. The duty of loyalty requires directors to exercise their powers in the interests of the Company and not in the directors’ own interest or in the interest of another person (including a family member) or organization. The duty of care requires that directors exercise the care that a person in a like position would exercise under the circumstances.

2. Composition of the Board; Board Operations

Size. The number of directors will be small enough to facilitate active discussions and decision-making, while providing for a sufficient number of directors to fulfill committee assignments and to provide the appropriate mix of continuity, experience, skills and diversity of viewpoints and backgrounds for the Board and its committees to perform their responsibilities.

Board Membership Criteria. Membership criteria shall be provided by the Nominating/Corporate Governance Committee, after consultation with the Board, and such criteria may include, among other things, (1) a candidate’s relevant financial, regulatory and business experience and skills in light of the complex and heavily regulated nature of the Company’s business; (2) a candidate’s familiarity with the Company’s market area and participation in local business, civic, charitable or religious organizations, as well as the candidate’s ties to local businesses; and (3) the restrictions set forth in the Bylaws, diversity, age, skills, experience and other relevant factors.

Invitation to Join Board. The invitation to join the Board should be extended by the Chairman of the Board, on behalf of the entire Board.

Mix of Inside and Outside Directors. In no event, will the Board consist of less than a majority of independent directors. The definition of “independent director” shall conform to the definition contained in the qualitative listing requirements for Nasdaq Stock Market, Inc. issuers and in any applicable Securities and Exchange Commission rules and regulations.

Term Limits. The Board does not believe that it should establish limits on the number of terms a Director may serve. Term limits may cause the loss of experience and expertise important to the operation of the Board. Directors who have served on the Board for an

extended period of time can provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, its market area and its operations.

**Retirement Age.** The Board does not believe that it should establish age limits.

**Director Resignation.** Any director may resign at any time by providing written notice of such resignation to the home office of the Company addressed to the Chairman of the Board. Unless otherwise specified in the letter of resignation, such resignation shall take effect upon receipt by the Chairman of the Board and acceptance by the Board of Directors.

**Board Agenda.** The Chairman of the Board and Chief Executive Officer sets the agenda for Board meetings with the understanding that certain items necessary for appropriate Board oversight, such as annual budgets, long range plans, and risk governance must appear periodically on the agenda. Board members may suggest that particular items be placed on the agenda.

**Frequency of Meetings.** The Company Board has four (4) regularly scheduled meetings per year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

**Corporate Strategy.** From time to time, the Board devotes an extended meeting to a review of the Company's long-term strategic and business plans.

### 3. Selection of Chairman

The Board has historically had an executive Chairman and has no policy with respect to the separation of the role of Chairman of the Board and Chief Executive Officer. In this regard, the Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant factors, including the specific needs of the business and what is in the best interests of the Company's stockholders.

### 4. Lead Director Concept

The Board believes that designating a lead independent director may or may not serve the best interests of the Company and its stockholders at any given time, depending upon circumstances at that time. In the event that a lead director is designated, his or her duties would include: assisting the Board in assuring compliance with and implementation of the Company's Corporate Governance Policy, coordinating the agenda for and moderating sessions of the Board's independent directors and acting as principal liaison between the independent directors and the Chairman of the Board on sensitive issues.

## 5. Committees

**Number and Structure.** The Board has three standing committees: (i) Audit, Compensation and Nominating/Corporate Governance, each of which shall consist solely of independent directors. The Company may also utilize committees consisting of Board members and officers for the purpose of advising the Board on various operational matters.

**Assignment of Committee Members.** The Board does not have a firm policy mandating rotation of committee assignments since special knowledge or experience may mitigate in favor of a particular director serving for an extended period on one committee.

**Frequency and Length of Committee Meetings.** The Chairman of each committee, in consultation with committee members, will determine the frequency and length of committee meetings.

**Committee Agenda.** The Chairman of the committee, in consultation with appropriate members of management, will develop the committee's agenda. Each Board member may recommend agenda items for any committee meeting.

## 6. Executive Sessions of Independent Directors

The independent directors will meet in executive session at least twice a year. Issues to be discussed in executive session may include the evaluation of the Chief Executive Officer, management succession planning and such other matters as they may deem appropriate.

## 7. Succession Planning

At least annually, the Board shall review and concur in a succession plan, developed by management in consultation with the Compensation Committee, addressing the policies and principles for selecting a successor to the Chief Executive Officer, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the Chief Executive Officer.

## 8. Board Access to Management

**General.** Board members have complete access to management. Board members will use judgment to assure that this contact is not distracting to the business operation of the Company, and that such contact, if in writing, be copied to the Chief Executive Officer.

**Attendance of Non-Directors at Board Meetings.** The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to:

- (a) provide management insight into items being discussed by the Board which involve the manager or the manager's department;

- (b) make presentations to the Board on matters which involve the manager; and
- (c) bring managers with high potential into contact with the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

#### 9. Board Materials Distributed in Advance

Information and data are important to the Board's understanding of the Company's business and are essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will be distributed in writing to the Board in advance of the meeting, unless doing so would compromise the confidentiality of competitive information. Under normal circumstances, materials should be delivered at least five days in advance of the meeting. In the event of a pressing need for the Board to meet on short notice, it is recognized that written materials may not be available in advance of the meeting. Management will make every effort to provide presentation materials that are brief and to the point, but yet communicate the essential information.

#### 10. Evaluation

**Annual Self-Assessment.** The Nominating/Corporate Governance Committee should periodically sponsor a self-assessment of the Board's performance, the results of which will be discussed with the full Board. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of an individual Board member. The Nominating/Corporate Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, if any.

**Annual Evaluation of Chief Executive Officer.** In accordance with the Compensation Committee's Charter, the Compensation Committee will conduct an annual evaluation of the Chief Executive Officer's performance and recommend to the Board the Chief Executive Officer's compensation level based on such evaluation. The Board reviews the Compensation Committee's evaluation in determining whether to approve the recommended compensation level.

#### 11. Share Ownership of Directors and Executive Officers

It is the policy of the Board that directors and executive officers should be stockholders of the Company.

#### 12. Director Compensation Review

At least annually, the Compensation Committee will review competitive compensation information, in consultation with senior management, and consider the appropriateness of the form and amount of director compensation with a view toward attracting and retaining qualified directors. The Board will review the recommendations of the Compensation Committee in determining whether any changes to director compensation are appropriate.

#### 13. Board Interaction with Third Persons

It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson for the Company. From time to time, directors may be asked by the Chief Executive Officer to speak with others, as may be appropriate.

#### 14. Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

#### 15. Orientation of New Directors and Continuing Education

New directors, upon election to the Board, will be provided with a comprehensive set of materials on the operations, finances and business plan of the Company and meet informally with as many members of senior management as practical. On a periodic basis, directors will also be provided with educational and training materials and opportunities to further enhance directors' ability to serve as effective and productive members of the Board.

#### 16. Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics (the "Code of Conduct") that addresses compliance with law; reporting of violations of the code or of laws or regulations; employment and diversity; confidentiality of information; protection and proper use of the Company's assets; conflicts of interest; and personal securities and other financial transactions. Each director is expected to be familiar with and to follow the Code of Conduct to the extent applicable to them.

## 17. Periodic Review

The Board is responsible for periodically reviewing these principles, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

Effective as of March 3, 2021.