

Environmental, Social, and Governance Report

2021



Personal Banking · Business Banking · Wealth Management

Over 50 locations in Maine, New Hampshire & Vermont

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INTRODUCTION PAGE

Our Environmental, Social, and Governance (ESG) practices embody our commitment to the people and places we serve. Through these purposeful and principled business practices, we remain *committed* and *connected* to our recognized corporate culture of positively impacting society.

Commitment: Who We Are

Founded in 1887, Bar Harbor Bank & Trust is a community bank offering a full range of financial services to individuals, families, businesses, and non-profit organizations. Today, we manage over 50 locations throughout Maine, New Hampshire, and Vermont. With over 130 years of experience, we have made it our promise to recognize, appreciate, and support the unique people and cultures in the places we call home. We believe each of us has the opportunity to positively impact every day in the way we represent Bar Harbor Bank & Trust, support our customers, and drive beneficial change in the communities we live and work in.

We focus on driving success through a combination of accessible banking and financial products and support, unparalleled customer service, generous philanthropic giving, thoughtful employee volunteerism, and affording meaningful experiences and opportunities for our employees.

Bar Harbor Bankshares (NYSE American: BHB) is the parent company of Bar Harbor Bank & Trust. Bar Harbor

Bank & Trust wholly owns the New Hampshire-based subsidiary, Charter Trust Company, a trust services and wealth management company. Bar Harbor Trust Services is another subsidiary of Bar Harbor Bank & Trust, with offices in Maine. Bar Harbor Financial Services (a branch of Infinex Investments, Inc.) is an independent third-party broker. The two trust company subsidiaries are being merged into one combined entity of Bar Harbor Wealth Management to better realize efficiencies and unify culture throughout our wealth units.

Connection: What Guides Us

Our core values drive our culture, actions, and behaviors. They inform the way we interact both in and outside of the workplace and are the foundation of our deeply connected culture and success.

- Positivity: Be all-in
- Communication: Talk straight
- Teamwork: Actively share
- Initiative: Embrace change
- Professionalism: Show respect
- Quality: Build the best

We believe by integrating these core values in everything we do sets us apart and allows us to achieve our goals to generate a consistent value for our customers, employees, communities, and shareholders.



ENVIRONMENTAL REPORT

We take pride in keeping environmental sustainability at the forefront of our operational structure and processes. By reducing our carbon footprint and decreasing energy expenses, we lead the way in continuous improvement in all areas of environmental management. The company recognizes the potential to impact the environment, will continue to make improvements, and reviews environmental programs twice annually, as overseen by our Chief Operating Officer.

Corporate Technology

Our technology strategy maximizes performance while being as green as possible. By aggressively managing the lifecycle of our technology assets, we take advantage of up-to-the-minute features to increase performance while saving energy. We continue to strategically migrate to virtual technologies, which has allowed for a 25 to 1 reduction in physical hardware. By leveraging remote management software and virtual meeting applications, we decreased the need for inter-office travel. For example, in 2020, our enterprise conferencing infrastructure hosted nearly 7,600 virtual meetings totaling 10,660 hours of conferencing. These technology tools serve to optimize our performance while ensuring the efficient use of resources.

Paper Usage

In 2020, we completed a three-year project to systematically replace hundreds of dedicated desktop printer-scanners with strategically located energy-efficient hub printer-scanners. This effort significantly reduced both paper and energy consumption, and the use of cloud-based technologies and digital storage allowed us to transition to a predominantly paperless organization. In 2020, more than 750,000 documents, representing 34% of all documents now maintained digitally, were uploaded into digital storage. We encouraged all employees to reduce paper consumption, with 94% of our employees now using electronic deposits for payroll and expense reimbursement.

IN 2020:

We reduced paper consumption for customers by delivering documents electronically

337,000+

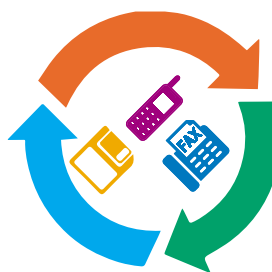
statements were delivered via eStatements

Energy Consumption

As a continued focus in our overall capital improvement planning to maximize energy efficiency, we utilize strict predictive and preventive maintenance programs for our building operating systems. Today, nearly 30% of our locations utilize high-efficiency LED lighting. In 2020, we opened two state-of-the-art branch locations designed with high-efficiency HVAC systems, LED lighting, low water consumption fixtures, and enhanced weatherization to reduce energy consumption. Our newly adopted energy-efficient design standards represent another opportunity for us to reduce our carbon footprint.

Recycling

Technology no longer needed is recycled or reused through our partnership with a local non-profit that is both EPA permitted and MDEP licensed (R2 & RIOS). In 2020 we recycled more than 4 tons of technology equipment, and 14% of that equipment was subsequently diverted back into the community for reuse. All of our locations recycle paper, cardboard, batteries, and other recyclable materials on an ongoing basis.



4 Tons Recycled in 2020

Digital Banking

Digital and remote banking is an integral part of our business. Not only do digital banking tools provide enhanced convenience and access for our customers, but

they also reduce paper consumption and the consumption of fossil fuels by reducing the need to travel. We continue to invest in digital banking by expanding our payment channels to include real-time bank-to-bank and person-to-person payment applications. In 2020, digital banking enrollments increased nearly 25%, and digital banking log-ons grew by an impressive 95%.

**Digital Banking
Enrollments
increased 25%**



**Digital Banking
Logons
increased 95%**

ESG Investment Capabilities

Our wealth management subsidiaries provide expert guidance to a wide array of clients. Our central investment process seamlessly aligns with sustainable investing as it focuses on investing in quality, well-managed companies that illustrate leadership over their peers. ESG analysis helps uncover both additional investment opportunities and hidden risks which is why we incorporated ESG

performance ratings into our overall investment process. We recognize that ESG can generate competitive financial returns while having a positive societal impact. In addition, we offer ESG strategies to our clients, including institutional clients and individual investors. These strategies include investing in companies fostering positive social and environmental impacts while avoiding investment in companies that may have negative impacts.

We feel ESG principles are at the forefront of successful sustainable growth investing. Our wealth management employees are also at the forefront of this movement. Among the numerous credentials our wealth management employees possess, we also encourage them to pursue the Chartered SRI Counselor™ designation. This extensive training gives investment professionals the knowledge of history, definitions, trends, portfolio construction principles, fiduciary responsibilities, ethical and responsible business practices, and best practices for sustainable, responsible, and impact (SRI) investments. The SRI designation is extremely difficult to achieve with few individuals in our industry reaching this pinnacle. To date, we have one investment professional who has obtained the SRI designation with others pursuing this training.



SOCIAL REPORT

Strengthening the communities we call home is an essential part of our business model. By bolstering the social and economic health and well-being of the communities we serve, we help our customers and colleagues thrive and deliver better results as an organization.

Community Reinvestment Act (CRA)

As part of our community commitment, we provide the financial expertise and support our communities need, especially individuals and families with low to moderate incomes and businesses in low to moderate-income levels. Our positive history of CRA ratings dates back more than three decades. These consistent ratings speak to:

- Our dedication to meeting the credit needs of our low- to moderate-income customers
- Our commitment to ensuring our financial products are accessible to all
- Our support and investment in community development projects

We work to provide creative solutions for our most vulnerable customers as this type of support is critical to our communities and our organization's vitality. As an example, over the years, we have:

- Provided available space to AARP to conduct free income tax preparation sessions for low-income families and seniors during tax season
- Contributed free office space to an Economic Development Company that specializes in housing programs for seniors and vulnerable populations
- Partnered with Granite United Way to provide loans to people in their Working Bridges (out of poverty) program
- Purchased tax credits issued to non-profits who use the funds to support community infrastructure improvements

Making Banking Accessible to All

Meeting the needs of our diverse customers and communities is critical to our communities' well-being and our success as an organization. We are passionate about ensuring that a comprehensive suite of banking products and services is accessible to all, including consumers and businesses. We believe good things happen when we

work together, and we offer a variety of financial products aimed at meeting varied customer needs, including:

- Accounts with no or low monthly fees for those just getting started or looking to re-establish a banking relationship after past challenges
- A variety of overdraft protection options to help customers avoid fees and payment issues
- An offsite banking program where we bring the opportunity to open accounts to the workplace; this program allows our bankers to work with businesses to host account-opening events where employees can easily open an account without leaving their workplace
- A branch and ATM network of over 50 locations in three states
- A robust suite of remote banking options including online and mobile banking with mobile deposit and easily accessible customer service; customers can access their accounts anytime, anywhere without mobility or transportation barriers

In addition to making banking accessible for all customers, we are committed to ensuring that product and service information is accurate, comprehensive, and easy to understand. All materials are reviewed to ensure that legal and regulatory requirements are in compliance.

As a risk management-focused organization, we are attentive to the changes and challenges our customers face. By working together, we help customers achieve their financial goals. Our collaborative approach to banking relationships helps our customers understand we are working 100 percent on their behalf.

Stepping Up During COVID-19

Recognizing that an essential aspect of serving our community is proactively problem-solving and providing excellent customer service and outreach, this was never a more clear mandate than during the current COVID-19 pandemic. Many of our customers and communities found themselves suddenly grappling with unprecedented circumstances which continue today.

Stepping up as a financial first responder and steward of our community, we processed thousands of the Small Business Administration's Paycheck Protection Program loans, donated resources to support essential workers and local non-profit organizations, and maintained continuous service during state-mandated lockdowns. We also



supported our customers by processing over 550 customized commercial loan modifications and over 350 consumer loan modifications. Through innovative solutions such as the installation of walk-up windows at three locations that did not have drive-up services, we even hosted a wedding at the drive-up window of our branch in Northeast Harbor, Maine to help a couple whose marriage was derailed because of travel restrictions.

In September 2020, we were recognized by the ICBA with the National Community Bank Service Award for exceptional service during the COVID-19 pandemic.

Our Commitment to Community Giving

Making thoughtful and generous philanthropic donations is a crucial way we positively contribute to our communities. Our charitable giving strategy reflects our core values and aligns with our commitment to support organizations helping to make a difference in local communities.

Our approach to community giving supports organizations that, among other things, advance economic growth and community vitality, education and workplace development initiatives, and support for families at risk. We do not discriminate on the basis of age, race, sex, religion, national origin, disability, sexual orientation, or gender identity. More information regarding our Community Giving Standards can be found on our website at <https://www.barharbor.bank/community-giving>

In 2020, we contributed over \$590,000 in charitable donations to over 400 community organizations.

\$590K | **400+**
community
organizations

Volunteerism

We recognize that every one of our employees has an opportunity to make a difference in their community, and

we have chosen to make volunteerism a crucial part of our Company culture. We provide all full-time employees with 24 hours of paid volunteer time per year to spend serving their community. Our employees have contributed over 16,000 hours of volunteer time and expertise through board service, financial literacy training, and other direct services in the past three years.

Financial Literacy

Providing free financial education is an important part of the bank's contributions to its community. In past years, bank employees have volunteered their time providing financial literacy programs to close to 1,000 individuals per year. In light of the COVID-19 pandemic, in 2020 the bank offered financial education resources virtually through its website and social media outlets. Resources included written articles, worksheets, and interactive videos, as well as resources for non-English speakers.

Supporting Education and Workforce Development

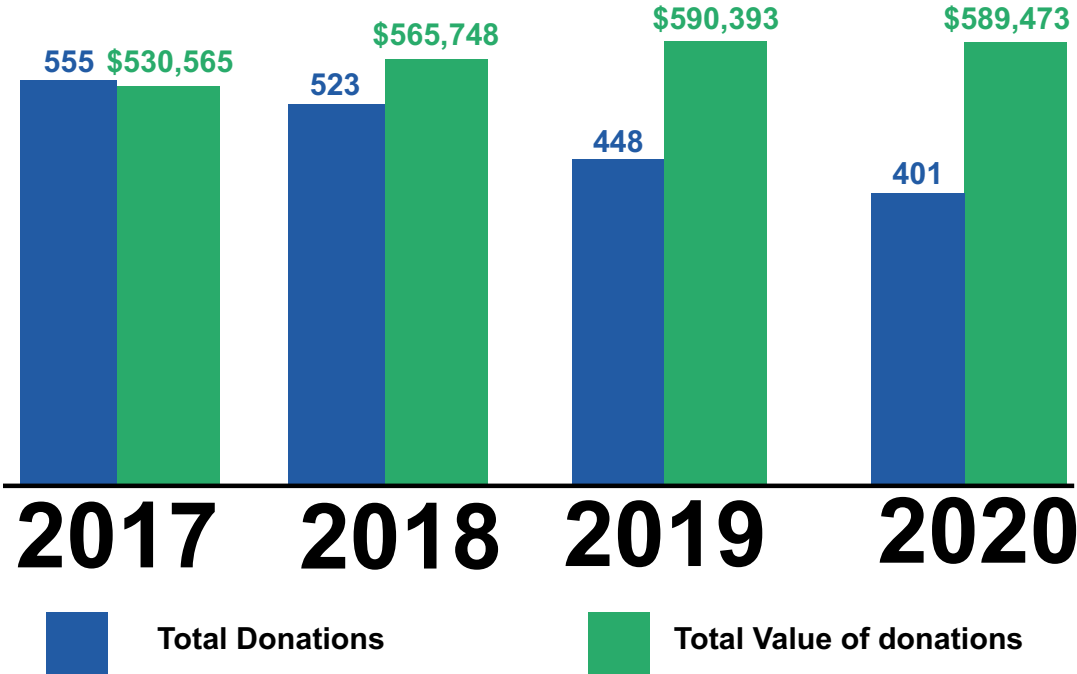
Since 2018, our primary philanthropic focus has been on education and workforce development as we believe these initiatives make for successful communities. In Northern New England, approximately 400,000 adults have some post-secondary education but no degree, and we feel we are uniquely positioned to support partnerships that strengthen pathways to higher education. We supported this cause through a variety of commitments in 2020, totaling over \$335,000.

Providing scholarships for graduating high school seniors is another way we support workforce and educational development. Scholarships are awarded to students in low- to middle-income brackets who plan to attend a career or technical education program. Our scholarship program focuses on supporting students with the greatest financial need, especially those who are the first in their family to attend college. Since 2018, we have awarded over \$67,000 in scholarships to 45 students.



BHBT Community Giving (2017-2020)

BHBT Community Giving (2017-2020)



“ You presented me with the wonderful news that BHBT would like to offer me a scholarship towards my education in Fire Science. I had a terrific experience and am excited to be returning in person for the second semester. College has been everything I thought it would be and despite the pandemic I have been able to complete the requirements. I very much appreciate your support and, again, my heartfelt thanks!
– A.W, Bethel, VT

I would like to extend a thank you to not only you but the entire Bar Harbor Bank & Trust Scholarship Committee. Receiving support like this does not go unnoticed and I am confident this grant will help me with my future career goal. I greatly appreciate what you have done for me and others. Thank you for having a role in my journey to become a business professional. You truly do change the lives of scholarship recipients, and I am proud to call myself one of them.
– K.H, Mount Desert, ME

”

Employee Philanthropic Engagement

Our focus on giving back is ingrained in our employees. Since April 2018, our employees have participated in our Casual for a Cause employee-supported community giving program. Through this program, employees contribute to a dedicated fund, and their contributions are celebrated by the opportunity to wear casual attire on Fridays. The pooled funds are used to award grants to local non-profits, and grant recipients are selected quarterly through an employee vote. Since the program's inception, over \$100,000 worth of donations has been

awarded to 34 non-profits throughout Maine, New Hampshire, and Vermont. In 2020, the majority of funds were awarded to non-profits fighting food insecurity due to increasing needs resulting from the COVID-19 pandemic.

\$100K | **34 non-profits**

Commitment to Workplace Culture and Employee Engagement

Our Company culture defines who we are, our success, and the results we deliver to customers and shareholders. We are committed to making a difference in the communities we serve, as well as running an efficient, profitable organization. Following through on these commitments begins with our employees, and we believe investing in our employees and our culture is critical to our success.

Engagement & Culture

We take great pride in the activities and programs that support our Company culture. Inviting employees to participate in strategic conversations and initiatives creates a common understanding, strengthens our teams, and creates buy-in for Company goals. In 2020, we established the Brand Ambassador Program to reinforce our culture. Through this program, peers identify employees from all levels and departments to become Brand Ambassadors. Brand Ambassadors perform various functions to support employee engagement. Whether it's hosting internal events, strengthening internal interactions, or meeting with our senior management team quarterly to provide feedback and better understand our Company's strategy, this program strengthens internal relationships while accomplishing our goal that the entire organization understands our priorities and strategic business objectives.

Two Way Communication

Communication at all levels is key to our success. By ensuring that our internal and external communications are clear, thoughtful, and pertinent, we can fortify relationships and increase relationship value. We drive a culture of communication by setting good examples internally through consistent communications such as frequent updates from the senior executive team, departmental spotlights, and health and wellness bulletins. Company-wide emails and memos are sent on a regular basis to create consistent messaging, and employees are consistently encouraged and welcomed to ask questions and provide feedback. In addition, the Bank's internal news dashboard is available to employees at any time. This communication culture is just one of the reasons we have earned a reputation for providing exceptional customer service. In 2021, we will be releasing a company wide communication platform that will enable employees

to share experiences and best practices in an internal only social media style platform.

Engaging employees in company-wide strategic goals

Each year, our senior executive team develops short and long-range goals. These goals are shared with all employees and departments, who then create team and individual goals that align with and support organization-wide initiatives. This allows every employee to understand our corporate objectives and how they can contribute to reaching these goals. This is a crucial element of our pay for performance model that provides transparency and goal alignment, paving the way for a high level of employee engagement and success in achieving our strategic goals.

Safety and respect in the workplace

One of our top priorities is affirming that our workforce feels safe and respected in the workplace. Our Safety Committee meets regularly to discuss safety issues, offer training, and create communications that capture improvement opportunities. Additionally, we offer employees safe and confidential avenues to report any perceived issues and incidents. Ensuring that employees feel safe communicating and are heard is an essential aspect of our culture.

In our Employee Handbook, which all employees review and acknowledge annually, we outline our Harassment and Retaliation Policy. In our workplace we prohibit firearms and have a zero tolerance policy on threats and violence. We also have a confidential whistleblower program that immediately forwards complaints to the Audit Committee and the Board of Directors once reported, and we work to take the necessary action as quickly as possible after a complaint is received. An Employee Assistance Program is also available to provide confidential support for employees seeking counseling.

To ensure workplace safety and preparedness, all employees participate in several online training sessions covering workplace safety, and all of our worksites have employee badge access. Our branch employees also receive training on best practices in procedures for opening and closing a banking facility, robberies, hostage situations, bomb threats, alarm responses, and evacuations.



Human Capital Management



Our ability to attract and retain the best diverse talent while sustaining and deepening our current employees' relationship is critical to maintaining our best-in-class customer experience. The opportunity for personal and professional development is just one of the reasons our employee retention is at an all-time high. We are committed to supporting, developing, and encouraging employees to engage within our communities.

We invest in our employees and continuously encourage them to build the skills they need to become even more valuable team members. We also identify opportunities for employees to take on challenging and intriguing work to advance their career goals and transition into new roles as the banking industry evolves. Developing programs aligned with employee skills and capabilities is critical to our organization's success and creates robust development opportunities supported by our leaders at every level.

Leadership Development

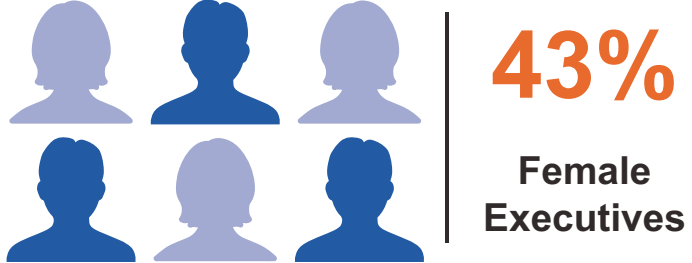
We know strong leaders create an environment that engages employees while simultaneously driving better results and performance. All of our development and leadership programs, both in-house and external, focus on the critical skills needed to lead in an evolving environment. We leverage our technological capabilities to keep us nimble and efficient while providing a superior employee experience.

Leadership Succession

We have identified a group of future leaders that meet regularly with our executive management team and participate in developing many of our strategic initiatives. As the foundation of our future leadership team, this group is provided with many developmental opportunities to advance through education, exposure, and experiential learning, which will prepare them for their next roles within our organization.

Embracing diversity

All employment decisions are based on talent and potential for growth. We value a diverse workforce to ensure different perspectives and ideas are considered and part of our operation. In 2020, 25% of our Board members and 43% of the executive management team were female. Our goal is to promote an inclusive culture and foster cultural awareness.



As part of our commitment to equal employment opportunities, we seek to ensure affirmative action to provide equality of opportunity in all aspects of employment and that all personnel activities, such as the recruitment, selection, training, compensation, benefits, discipline, promotion, transfer, layoff, and termination processes remain free of illegal discrimination and harassment based upon race, color, religion, sex, sexual orientation, gender identity, and national origin.

Through the ongoing development of our Affirmative Action Plan, we warrant compliance with appropriate government regulations and strengthen our efforts to make the best possible personnel decisions while contributing to society and the community's betterment.

Total Rewards

We recognize that attracting, retaining, and rewarding high-performing talent is key to our Company's success. Our total rewards program is designed to recognize and reward top talent and keep employees engaged effectively. Our compensation program aligns with our Pay for Performance philosophy and guarantees that every employee knows their contribution to the success of the organization. We participate in several market studies, including peers in the banking industry, to ensure competitive pay, benefits, and programs are offered to validate that we are an employer of choice. Annual merit increases align with market data and performance to ensure fair and equitable practices are adhered to.

Our commitment to our employees' health and well-being is evidenced through our comprehensive benefits package, including medical, dental, vision, life and disability offerings, and several other voluntary programs. We contribute to employee-owned health savings accounts and have a robust wellness program to encourage our employees to stay fit physically and



mentally. In 2020, we contributed \$383,486 to employee-owned health savings accounts.

Our retirement savings programs include a 401k plan with a generous Company match that vests immediately, along with an Employee Stock Purchase Plan that allows employees to be owners of the Bank at a reduced price. We feel this plan encourages employees to think and make decisions like shareholders while mitigating risk-taking behavior.

We recognize providing good work-life balance choices results in our employees' making more meaningful contributions in the workplace. We have a generous Paid Time Off policy to support employees' time management and paid volunteer time to support this. In 2020, we began offering Flexible Work Arrangements (FWA) to help employees navigate the unprecedented pandemic operating environment. The success of the programs has made FWA a permanent part of our total rewards package. Programs include full remote, partially remote, condensed workweeks, and flexible hours. The flexibility these various FWAs offer allows employees to manage their work-life needs while continuing to deliver stellar results in the workplace.

Employee Awards & Recognitions

Enhancing the employee experience remains an essential part of our long-term strategic plan. We believe by having more engaged employees, we can positively impact the communities we serve and deliver better results to our shareholders. We understand that recognizing employees who have made outstanding contributions in the workplace is a meaningful way to say 'thank you' and develop role models within our Company.

The majority of our employee recognition programs are employee-driven, enhancing employee engagement. For example, each year, we select recipients for our coveted Brand Behavior Awards. Each year, employees submit hundreds of nominations that highlight their colleagues who go above and beyond to help customers. Recipients live our core values each and every day and perform consistently at a high level throughout the year. In addition to the Brand Behavior Awards, we also host an annual Employee Appreciation Week and Team Bankshares event. Our Brand Ambassadors are continually developing new ideas for recognition and celebration of our employees' contributions. Annually the Board of Directors award the Chair Awards to individuals who not only perform to high standards but also lead and mentor in ways that greatly enhance our company, our colleagues, our communities, and our shareholders.

Employee education and development

We recognize that the skills and knowledge of our employees are critical to our success. Our Learning &

Development offerings help employees maintain and improve job-related skills and enhance employees' ability to advance within the organization. We encourage our employees to continually learn and build on their skills and knowledge and offer the following programs to support their personal development:

- Tuition reimbursement up to IRS annual limits—Supporting our employees in pursuit of higher education expands their skill set and ability to advance their career within the organization
- Professional development/designations—These opportunities aid our employees in offering superior service and products to our customers while providing our employees with continuous learning and networking opportunities
- Banking specific skills—We partner with the American Bankers Association (ABA) and the Center for Financial Training Education Alliance (CFTEA) to provide employees with access to a catalog of classes that are taught locally and online to help increase banking knowledge; in 2020, we had 30 employees participate in external skill development opportunities (college courses and other training programs), and we provided \$43,000 in financial support
- In-house training programs—Specialty courses are designed to train and advance our employees in various banking areas and management training courses to develop management and leadership skills; In 2020, employees accumulated 2,925 training hours to enhance their skills

We require our employees to participate in mandatory online training to ensure they know rules and regulations related to the Community Reinvestment Act, privacy, fraud, Bank Secrecy Act/Anti-Money Laundering, Office of Foreign Assets Control, and other relevant topics. We also require harassment and other employment-related training to keep our workplace compliant and free from discrimination or other unlawful practices.

Enhancing opportunities and leadership skills

As part of our employee development plans, we have a designated group of leaders, chosen by management for their contributions to the organization, to help advise the senior executive team on strategic initiatives, messaging, and keeping a finger on the pulse of organizational culture. These employees are given opportunities to participate in activities outside of their normal work scope, which allows them to build cross-department relationships that would not be formed otherwise. This approach helps us cultivate leaders within our Company while strengthening company culture.



GOVERNANCE REPORT

Our senior executive team and Board of Directors recognize the importance of their roles in setting the organization's tone, paving the way for responsible growth, and ensuring effective governance. Solid Board leadership is key to our success, and through their critical guidance and oversight, we continue to be a stable and competitive institution.

Governance

We are committed to a philosophy of transparent governance through best practices, which we continually review and improve. We maintain strong management and risk oversight at the Board level, and we value maintaining an ongoing dialogue with our shareholders, regulators, customers, and employees. Our Board embodies the mutual respect, diversity, in-depth business expertise, and communication that is the foundation of our company culture.

We believe operating our business responsibly and ethically puts us in a position to support our stakeholders' interests while creating long-term value for our shareholders. We remain focused on ensuring sound and effective governance to make a positive, sustainable impact on the communities where we live and work.

Board Composition and Diversity

Our Board oversees the business and affairs of our Company and provides active and independent oversight of management. To carry out Board responsibilities, we seek candidates who possess:

- Strong business judgment
- High personal integrity
- Demonstrated achievement in public or private companies
- Proven leadership and management ability
- Ability to devote the necessary time to oversight
- Free of potential conflicts of interests
- Collegial manner

Our Board seeks directors whose knowledge, experience, and skills provide a broad range of perspectives and leadership expertise in financial services and other highly complex and regulated industries. Additionally, Directors possess valuable skills like strategic planning and business development, business operations, marketing and distribution, technology, cybersecurity, risk

management and financial controls, human capital management, corporate governance, public policy, and other areas critical to our business strategy and oversight. Our Board ensures a balance in directors' age, tenure, and Board continuity in order to achieve an equilibrium between the perspectives of new directors and longer-serving directors with industry and institutional insights.

Our Board views diversity as a priority and seeks representation across various attributes, including gender, race, ethnicity, and professional experience. It regularly assesses our Board's diversity when identifying and evaluating director candidates. Our current Board, composed of 12 directors, reflects the Board's commitment to nominating candidates who possess personal qualities, qualifications, skills, and diversity of backgrounds and provide a mix of tenures that, when combined best serve our Company and our shareholders.

Board Independence and Qualifications

Under NYSE American corporate governance standards a majority of the Board must be "independent directors" as defined in Section 803A of the NYSE American Rules. According to Section 803A, "independent director" means a person other than an executive officer or employee of our Company. In addition, for a director to qualify as "independent" the Board must affirmatively determine that the director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that all current director-nominees meet the applicable independence standards except for Curtis Simard, our President and Chief Executive Officer. Mr. Simard is not a member of the Audit, Compensation and Human Resources, or Governance Committee.

Code of Conduct and Business Ethics

Ethical conduct is the cornerstone of our governance philosophy. Our Code of Conduct and Business Ethics applies to all our directors, executive officers, employees, contractors, and consultants and articulates our philosophy regarding ethical conduct in the workplace. The Code of Conduct establishes standards for behavior, including standards with respect to compliance with laws and regulations, conflicts of interest, fairness, insider trading, use of our customers' information, and public and financial disclosure. Additionally, we have adopted a Code of Ethics for Senior Financial Officers that supplements the more general Code of Conduct and conforms to the



requirements of the Sarbanes-Oxley Act of 2002 and NYSE American listing standards. Any substantive changes in or waivers of the Code of Conduct granted to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, must be disclosed within four business days by a posting on our website. In the case of a waiver of our Code of Conduct for any executive officer or director, the required disclosure will also be made available on our website within four business days of the date of such waiver. Both the Code of Conduct and the Code of Ethics for Senior Financial Officers are available on our website at <https://www.barharbor.bank/codes-and-charters>.

In addition, our Board of Directors are required to complete the following training annually: GLBA, Information Security, Cybersecurity & Identity Theft, and Regulatory Compliance including CRA, Reg. O, Fair Lending & UDAAP, BSA, AML & Patriot Act, and Sexual Harassment.

Board Risk Oversight

Our Board recognizes the importance of maintaining the trust and confidence of our customers, clients and employees. The Board actively manages key risks facing our Company and devotes significant time and attention to data and systems protection, including cybersecurity and information security risks, reputation risk, credit risk, financial oversight and strategy management, regulatory and legal risks. Our Board effectively monitors and manages risks through Board committee activities and by collaborating with our management, internal audit, our independent registered public accounting firm, and other specialized independent advisors. Specialized audits include Information Technology and Security, Bank Secrecy Act, Loan Review, and Trust Operations. The Board regularly reviews these audits and maintains an open dialogue about risk management with senior management.

Board Risk Committee

Committee members are appointed by the Board and provide oversight of the following functions:

- Oversight for internal controls over financial reporting, credit risk, interest rate risk, liquidity risk,

Other Risk Oversight Committees

To assist our Board in fulfilling its risk management responsibilities, a network of management oversight committees has been established. These oversight committees have the delegated authority and specific duties to execute our risk management policy. Specifically, the committees listed below are responsible for the ongoing identification, measurement, monitoring, and management of risk.

operational risk, cybersecurity risk, compensation risk, reputational risk, and compliance risk

- Reviews presentations and reports that address a broad range of topics including updates on technology trends, regulatory developments, legal issues, policies and practices, the threat of environment and vulnerability assessments, and specific and ongoing efforts to prevent, detect, and respond to internal and external critical threats
- Reviews and discusses on a quarterly basis bank-wide risk assessment.
- Sets loan policy, establishes credit authorities, and approves or ratifies all extensions of credit to borrowers
- Reviews credit trends, delinquencies, non-performing loans, charged-off loans, and management's quarterly assessment of the adequacy of the Loan Loss reserve.
- In conjunction with the Audit Committee, reviews reports prepared by an independent loan review firm, as well as those issued by our Internal Audit to assist in their on-going assessment of credit risk

Board Committees

Our Board has five standing committees—Executive, Audit, Compensation and Human Resources, Governance, and Board Risk. Charters describing the responsibilities of the Audit, Compensation and Human Resources, and Governance Committees can be found on our website at www.barharbor.bank under the Shareholder Relations page.

Our Board committees regularly make recommendations and report on their activities to the full Board. Each committee may obtain advice from internal or external financial, legal, accounting, or other advisors at their discretion. Our Board, considering the recommendations of our Governance Committee, reviews our committee charters and committee membership at least annually. The duties of our Board committees are summarized below.





We believe our risk management activities and detailed reports provide clear and concise information to our senior management team and the Board to properly and adequately evaluate our compliance with our risk management programs and policies.

Additional Corporate Governance Information

More information about our corporate governance can be found on our website at www.barharbor.bank.



LEADERSHIP

Board of Directors

David B. Woodside, Chairman
President and CEO of Acadia Corporation

Daina H. Belair
Owner of Inn at Sunrise Point

Matthew L. Caras
Owner and Managing Director of Leaders LLC

David M. Colter
President, GAC Chemical Corporation

Steven H. Dimick
Former Director for Lake Sunapee Bank Group Board

Martha T. Dudman
Fundraising Consultant and Author, former President of Dudman Communications Corporation

Lauri E. Fernald
President and Owner in Jordan-Fernald Funeral Home

Brendan O'Halloran
Retired Vice Chair & Regional Head of TD Securities, a division of TD Bank

Curtis C. Simard
President and Chief Executive Officer, Bar Harbor Bank & Trust and Bar Harbor Bankshares

Kenneth E. Smith
Former Owner and Innkeeper of Manor House Inn and Wonderview Inns

Stephen R. Theroux
Former President and CEO of Lake Sunapee Bank

Scott G. Toothaker
Managing Principal of Melanson Heath & Co.

Executive Management

Curtis C. Simard
President & CEO
Bar Harbor Bank & Trust and Bar Harbor Bankshares

Josephine Iannelli
Executive Vice President
Chief Financial Officer and Treasurer

Richard B. Maltz
Executive Vice President
Chief Operating Officer and Chief Risk Officer

Marion Colombo
Executive Vice President
Director of Retail Delivery

John M. Mercier
Executive Vice President
Chief Lending Officer

Jason Edgar
President of Bar Harbor Trust Services and Charter Trust Company

Jennifer Svenson
Senior Vice President
Chief Human Resources Officer

