

EVANS BANCORP, INC.
HUMAN RESOURCE & COMPENSATION COMMITTEE CHARTER

Statement of Purpose

The Human Resource & Compensation Committee (the “Committee”) is a standing committee of the Board of Directors of Evans Bancorp, Inc. (the “Company”). The purpose of the Committee is to provide overall guidance with respect to the establishment, maintenance and administration of the compensation programs and employee benefit plans of the Company, including determination of the compensation of the Company’s executive officers. The Committee forms the key link for the Board and management in balancing the interests of shareholders with those of management.

Membership

The Committee shall consist of no fewer than three members of the Board. The Committee shall consist only of members of the Board who the Board has determined are “independent” under the rules of the NYSE American (“NYSE”) and the SEC’s heightened independence rules for members of a board compensation committee, and who qualify as “Non-Employee Directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time, and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time.

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee. One member of the Committee shall be appointed as Committee Chairman by the Board. Committee members may be replaced by the Board.

General Responsibilities

The Committee’s mission will be to assure that the Company’s compensation program (a) is effective in attracting and retaining key talent, (b) links pay to performance, (c) is administered fairly, (d) is aligned with the strategy and values of the Company, and (e) is in the interests of the Company’s shareholders. The Committee will act, either directly or by delegating certain responsibilities as described below, on behalf of the Board of Directors in setting compensation policy, administering Board or shareholder approved plans, approving benefit programs and making decisions for the Board with respect to compensation of the Senior Leadership Team¹ including any other Named Executive Officers² (other than the Chief Executive Officer (“CEO”).

Specific Duties and Responsibilities

The Committee shall undertake such responsibilities and tasks as may be delegated or assigned to it from time to time by the Board of Directors. The primary and recurring responsibilities of the Committee are as follows:

- Compensation Philosophy and Program. In consultation with the CEO and senior management, the Committee shall establish and review periodically the general compensation philosophy of the Company and oversee the development and implementation of executive compensation programs and policies.
- CEO Compensation. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation and evaluate the CEO’s performance in light of those goals and objectives. The Committee shall recommend to the full Board for approval the CEO’s compensation levels based on this evaluation. In determining its recommendation for the base salary, annual incentive and long-term incentive components of CEO compensation, the Compensation Committee will consider

¹ Senior Leadership Team is comprised of the CEO, CAO, CCBO, CFO, CIO, CRO and EVP, President of TEA

² A Named Executive Officer follows the definition of an officer per SEC rules.

multiple factors including the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

- Compensation of Other Executive Officers. The Committee shall annually review and approve corporate goals and objectives relevant to compensation of the Company's other executive officers and evaluate their performance in light of those goals and objectives. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Company's executive officers (other than the CEO).
- Incentive Compensation Plans. The Committee shall review and provide oversight of the process by which the Company's cash incentive compensation plans are designed and the process and philosophy by which performance measures are selected. The Committee shall review at a high level the appropriateness of payout to performance. The Committee shall, on an annual basis, establish Company and individual performance goals and payout levels under the Company's cash incentive compensation plans.
- Equity Incentive Plans. The Committee shall recommend to the full Board for approval, and shall act as administrator of, any and all equity incentive plans and shall authorize the individuals to receive grants of awards as proposed by management under the equity plans and the number of shares or other awards to be granted. The Committee shall recommend to the full Board for approval all grants of stock options, restricted stock and other types of awards thereunder.
- Employment Contracts and Other Agreements. The Committee shall, periodically and as and when appropriate, review and approve any of the following to be entered into with members of the Senior Leadership Team: (a) any and all employment agreements and severance arrangements; (b) any change in control agreements and severance protection plans and change in control provisions affecting any elements of compensation and benefits; and (c) any special or supplemental compensation and benefits for members of the Senior Leadership Team and individuals who formerly served as members of the Senior Leadership Team, including supplemental retirement benefits and the perquisites provided to them during and after employment.
- Salary Administration Plan. The Committee shall monitor the salary administration plan by reviewing and approving proposed salary ranges and recommended salary adjustments based on market data. The Committee shall approve the peer group utilized for competitive analysis.
- Health and Welfare Plans. The Committee shall review the health and welfare plan designs including medical, dental, life and AD&D, 401K plans and deferred compensation plans.
- Appointment and Monitoring of Named Fiduciaries. The Committee shall appoint and remove named fiduciaries for the defined benefit pension plan, 401K plan and other plans or programs requiring fiduciary oversight.
- Board Compensation. Based on market data, the Committee shall review and recommend to the Board of Directors director compensation including board fees, committee fees, and additional compensation, including any awards under the Company's equity incentive plans referred to above.
- Compensation Discussion and Analysis; Compensation Disclosure. The Committee shall review and discuss the Compensation Discussion and Analysis section proposed for inclusion in the Company's Annual Report on Form 10-K and annual proxy statement with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included. The Committee shall also review the related tabular and other disclosures about director and executive compensation proposed by management for inclusion in such Annual Report and proxy statement.
- Compensation Committee Report. The Committee shall prepare the annual report on Executive Compensation for inclusion in the Company's annual proxy statement.
- Compliance. The Committee shall oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under NYSE American rules that, with limited exceptions, equity compensation plans be approved by shareholders.

- Committee Performance Evaluation. The Committee shall conduct and review with the Board of Directors annually, an evaluation of the Committee's performance against the requirements of this Charter.
- Report to Board of Directors. The Committee shall make regular (not less than annual) reports to the Board of Directors on the activities of the Committee.
- Review of Charter. The Committee shall annually review this Charter and make recommendation to the Board of Directors.

Delegation

The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee, of the full Board, or of members of management, subject to compliance with applicable law and stock exchange rules.

Authority

The Committee will have the authority and resources necessary to discharge its responsibilities, including complete and direct access to members of management. If the Committee wishes to consult with a compensation consultant in the evaluation of director, chief executive officer or senior executive compensation, the Committee has sole authority to retain, at the Company's expense, and to terminate the consulting firm, including sole authority to approve the firm's fees and other retention items. The Committee also has the authority to retain, at the Company's expense, such independent counsel and other advisors as it may deem necessary or advisable to carry out its duties. In determining whether to retain (or obtain the advice of) any adviser to assist it in the performance of its duties, the Committee shall take into consideration all factors relevant to the adviser's independence from management, including those specified in Section 805(v)(4) of the NYSE American Company Guide.

Meetings

The Compensation Committee will meet as often as necessary to carry out its responsibilities, but at least quarterly. Of particular importance, is the meeting when fiscal year-end results are available, to assess the performance of the Company's executive officers in conjunction with the recommendation of the Chief Executive Officer, against corporate and individual goals and objectives for that year and to establish goals and objectives for the new year. The Committee will also meet as needed to establish or recommend changes to compensation plans.

The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

Members of Company management may attend Committee meetings to provide the Committee with information relating to the Company's compensation and benefit plans and programs, recommended changes to those plans and programs, and educational material.

REVIEWED AND APPROVED: MARCH 1, 2018