

**CHARTER OF THE COMPENSATION AND BENEFITS COMMITTEE
OF THE BOARD OF DIRECTORS OF
FINWARD BANCORP
AND
PEOPLES BANK
Amended and Restated as of July 30, 2024**

Purpose

The Board of Directors (the "Board") of Finward Bancorp and Peoples Bank (the "Company") appoints the Compensation and Benefits Committee (the "Compensation Committee") of the Board to discharge the Board's responsibilities relating to compensation of the Company's directors and officers. The Compensation Committee has overall responsibility for evaluating and recommending to the other independent members of the Company's Board the director and officer compensation plans, policies and programs of the Company. The independent directors of the Company's Board will vote to approve director and officer compensation plans, policies and programs of the Company.

The primary objective of the Compensation Committee is to assist the Board in developing and maintaining an overall compensation strategy, policies, and plans that:

- Are appropriate for the Company in light of all relevant circumstances and which provide incentives that further the Company's long-term strategic objectives;
- Are consistent with the culture of the Company and the overall goal of enhancing shareholder value;
- Ensure that the Company's compensation and incentive compensation structures do not encourage excessive risk-taking and that risks are appropriately mitigated by effective controls and oversight;
- Ensure the attraction and retention of key management personnel and motivate management to achieve the Company's corporate goals and strategies; and
- Align the interests of management with the long-term interests of the Company's shareholders.

Committee Membership

The Compensation Committee shall consist of at least three directors. Each member of the Compensation Committee shall; meet the independence requirements of the Nasdaq Stock Market, shall be a "Non-Employee Director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and shall be an "Outside Director" as defined by the regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Board, based on the recommendation of the Nominating and Corporate Governance Committee shall appoint the members of the Compensation Committee and the Chair of the Compensation Committee. In addition, the Board may replace Compensation Committee members. The same rules govern the Committee regarding meetings (including meetings by conference telephone call or by virtual means), action without meetings, notice, waiver of notice and quorum and voting requirements as are applicable to the Board.

Committee Authority and Responsibilities

1. The Compensation Committee, in coordination with the Chairman of the Board (the "Chairman"), shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and make a recommendation to the independent directors of the Company's Board for the determination of the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation Committee, in collaboration with the Chairman, will consider 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. The CEO may not be present during voting or deliberations concerning his compensation.
2. The Compensation Committee shall review and make recommendations to the Board with respect to incentive-compensation plans and equity-based plans. The Compensation Committee shall administer the Company's incentive stock plans, including making awards under such plans, and shall review all proposed new or amended employee benefit plans.
3. The Compensation Committee shall annually review and report to the Board the status of stock ownership goals for directors.
4. The Compensation Committee shall annually review and make recommendations to the independent directors of the Company's Board for approval, for the executive officers of the Company and the CEO, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, and (d) any special or supplemental benefits.
5. The Compensation Committee shall review and make recommendations to the independent directors of the Company's Board to authorize the Company to enter into any employment agreements, severance arrangements, change in control agreements or provisions, or other compensation-related agreements, in each case as, when and if appropriate, with executive officers of the Company.
6. The Compensation Committee shall periodically review the Company's policies on perquisites.

7. The Compensation Committee shall review and make recommendations to the Board concerning the amount of any discretionary contribution the Company makes under its Employees' Savings & Profit-Sharing Plan or the amount of company match the Board deems appropriate in the 401(k).
8. The Compensation Committee shall recommend to the Board the form and amount of director compensation. The Compensation Committee shall conduct an annual review of director compensation.
9. The Compensation Committee shall meet at least two times annually or more frequently as circumstances dictate. The Compensation Committee shall meet prior to the mailing of the proxy statement for the Company's annual meeting of shareholders to approve the report of the Compensation Committee included in the proxy statement. In addition, the Compensation Committee shall meet with a representative of executive management on at least an annual basis.
10. The Compensation Committee may form and delegate authority to subcommittees when appropriate.
11. The Compensation Committee shall make regular reports to the Board.
12. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
13. The Compensation Committee shall annually review its own performance.

Outside Advisors

The Committee may, at the Company's expense, engage a compensation consultant, legal counsel, or other advisors to assist it in carrying out its responsibilities (the "Advisors"). The Committee shall select such Advisors only after considering factors affecting the independence of these persons or entities, including those identified in regulations promulgated by the Securities and Exchange Commission under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). The Committee shall have sole responsibility for the appointment, compensation, and oversight of such Advisors, and shall have the authority to determine any such Advisor's fees or retention terms. The Company shall provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to any such Advisor.

Last Revision Date:	July 2, 2024	Board Approval Date:	August 9, 2024
Last Reviewed by Compensation Committee:	July 7, 2024		
Charter Owner (Reviewer):	Corporate Secretary		

REVISION HISTORY

November 20, 2020	Amended and Restated Charter approved by Compensation Committee (updated to meet NASDAQ requirements)
July 19, 2021	Committee review. No recommended changes.
July 18, 2022	Amended and Restated Charter approved by Compensation Committee (updated to reflect Bancorp's new name and to include roles and responsibilities related to the Lead Independent Director)
July 24, 2023	Committee Authority, Section 8 amended to include 401(k) match
August 9, 2024	Updated for Board Composition