

BAR HARBOR SAVINGS AND LOAN ASSOCIATION

BY-LAWS

Adopted 01/16/2002

Revised 02/20/2013

Revised 12/19/2018

ARTICLE I

Name and Object

SECTION 1. The name of this Corporation shall be the “Bar Harbor Savings and Loan Association”.

SECTION 2. Its object is to afford its members a regular, safe and profitable investment for their deposits and to facilitate their acquiring real estate or making improvements thereon, by lending to them in accordance with the laws of the State of Maine.

ARTICLE II

Location and Seal

SECTION 1. This Association shall be located at 103 Main Street, Bar Harbor, Maine.

SECTION 2. The seal of this Corporation shall be in circular form, having the name of this Corporation and the date of its organization cut thereon in such manner as to be embossed upon paper by pressure. It shall be in the custody of the Treasurer, and shall be affixed by him or her to all papers requiring it.

ARTICLE III

Officers

SECTION 1. The officers of the Association shall be: President; Senior Vice President and Treasurer; Vice President and Assistant Treasurer; Assistant Vice President and Compliance Officer; Clerk; Chairman of the Board. The office of President, Vice President, Treasurer and Clerk or any combination of them may be held by one and the same person. The Chairman of the Board, the President, and the Treasurer shall be deemed executive officers.

SECTION 2. All of the Officers shall be members of the Association. The Chairman of the Board shall be a member of the Board of Directors.

ARTICLE IV

Membership

SECTION 1. Any adult person, guardian, trustee, firm or corporation may become a member of the Association by depositing money in the Association in accordance with the laws of the State of Maine or by borrowing money from the Association in accordance with the laws of the State of Maine. Such member shall be entitled to one vote after having been a member for at least 180 consecutive days.

ARTICLE V

Board of Directors

SECTION 1. NUMBER. The number of Directors shall be fixed by vote of members at each annual meeting, but in no event to be less than seven or more than nine.

SECTION 2. ELECTION AND TERMS OF OFFICE. The Directors shall be elected by the members at the Annual Meeting and shall hold office for three years. One third, as nearly as may be, of the total number of Directors shall be elected at each annual meeting.

No person shall be elected a Director unless at the time of election he or she is less than seventy-six years of age.

The Directors may fill vacancies in the Board when such vacancy occurs between annual meetings.

SECTION 3. CHAIRPERSON (AND CHAIRPERSON PRO TEM). The Chairman of the Board shall preside at all meetings. In the absence of the Chairman of the Board, the meeting shall appoint a Chairman of the Board pro tem.

The Chairman of the Board shall automatically be a member of the Executive Committee.

SECTION 4. POWERS OF THE BOARD OF DIRECTORS. The Board of Directors shall be responsible for the global management of the business of the Association. They shall make rules for the conduct of all meetings of the Directors and of such committees as they may appoint.

The President, Vice President, Treasurer, Compliance Officer, Clerk, Chairman of the Board and three members of the Executive Committee shall be chosen at the first meeting of the Board of Directors after the annual meeting.

The Directors may also retain a suitable attorney or attorneys to render such services as may be required.

The Directors may demand for inspection, at any time, all books, papers or other documents relating to the business of the Association. Such report shall be prepared and reported by the Treasurer at each annual meeting, a general statement of the business of the preceding year; as well as a report of the financial condition of the Association.

The Board of Directors is hereby authorized to empower any person to purchase, at any judicial sale, any real estate upon which the Association may have a mortgage or judgment, if in their opinion the interest of the Association should require it. They shall also have the power and authority to sell, dispose of and convey any property thus purchased. All applications for loans shall be made to them, and they shall examine all security offered for loans, and approve or reject the same.

The Board of Directors shall engage an external auditor to examine and audit the books, funds and other property held by the Association previous to the Annual Meeting, and at such other times as may be required, and report the findings to the Board of Directors.

SECTION 5. COMPENSATION. The Officers, Directors, Executive Committee members and all other committees shall receive such compensation as the Board of Directors may determine on an annual basis.

SECTION 6. RESIGNATION. Any Director may resign by submitting his or her resignation to the Chairman of the Board. Such resignation shall become effective upon its submission or at any later time specified therein.

SECTION 7. MEETINGS OF THE BOARD OF DIRECTORS. Each Director shall be required to attend monthly Director's meetings in order to effectively perform his/her fiduciary responsibility for the Association. More than three missed monthly Director's meetings per annum will require action by the Board and, without extenuating circumstances, entail dismissal from the Board.

If any day appointed in this article shall be a legal holiday, meetings shall be held at the discretion of the Board.

- (a) REGULAR MEETINGS. The Board of Directors shall hold regular meetings once each month at such time as shall be determined by vote of the Board.
- (b) SPECIAL MEETINGS. Special Meetings of the members shall be called by the Board of Directors, or by the Clerk, on the written application of ten members stating the object therefor; Special Meetings of the Directors shall be called by the Clerk upon the request of any one of the Directors.
- (c) ANNUAL MEETING. The Annual Meeting of the members shall be held on the third Tuesday in February in each year, at four-thirty (4:30)p.m. Thirteen members of the Association shall constitute a quorum.
Business conducted at the Annual Meeting, shall include, but not be limited to:
 - 1) the election and swearing-in of the Directors for the ensuing year;
 - 2) the swearing-in of the Officers for the ensuing year;
 - 3) remarks by the President/CEO and Chairman of the Board
 - 4) Treasurer's Report, and the review and approval of the annual statement of financial condition by the members.
- (d) PLACE OF MEETINGS. The meetings shall take place at the Bank's location, 103 Main St., Bar Harbor, ME, unless otherwise specified.
- (e) QUORUM. A majority of the members of the Board of Directors shall constitute a quorum.
- (f) CLERK. The Clerk shall keep correct records of all meetings of the Association and of the Board of Directors. He or she shall notify, verbally or by mail or email, the Directors of all meetings of the Board. He or she shall give notice to all members of the annual and special meetings of the Association, by publishing the same one or more times in a newspaper circulating in Hancock County and on the BHSLA website, the first publication thereof to be not less than one week previous to such meeting. Such notice shall contain the day, hour, place and business of said meeting. The Clerk shall perform such other duties as the Board of Directors may determine. In the absence of the Clerk from any meeting, the Assistant Clerk may perform said duties.

SECTION 8. TRANSACTION OF BUSINESS WITHOUT A MEETING. Any action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be approved by a majority of the Board in writing or by electronic transmission describing the action taken, such approval shall be included in the minutes.

SECTION 9. PARTICIPATION OTHER THAN IN PERSON. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting by means of conference telephone or other communications equipment by which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting.

ARTICLE VI

Committees

SECTION 1. STANDING OR SPECIAL COMMITTEES. The Board may appoint one or more committees consisting of a minimum of two Directors.

SECTION 2. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the Chairman of the Board, and three other Directors. This committee shall have all the powers of the Board of Directors between regular meetings, the exercise of such power to be subject to confirmation of the Board of Directors. The committee shall review, consider and make recommendations to the Board on all matters pertaining to lending and shall ensure compliance with the Bank's loan-related policies and procedures.

SECTION 3. ASSET LIABILITY AND FUNDS MANAGEMENT COMMITTEE (ALCO). The Asset Liability And Funds Management Committee shall consist of two Directors, the President, Treasurer, and Assistant Treasurer of the Association. The primary objective of the Bank's asset/liability management process is to maximize earnings and return on capital within acceptable levels of risk. The responsibilities and operations of ALCO are set forth in the Asset Liability and Funds Management Policy.

SECTION 4. RISK MANAGEMENT COMMITTEE. The Risk Management Committee shall consist of three Directors and the Bank's Internal Auditor. The President and Treasurer shall attend in an ex-officio capacity. The committee shall review, consider and make recommendations to the Board on all matters pertaining to the internal audit and compliance functions of the Bank. The responsibilities and operations of the Risk Management Committee are set forth in the Risk Management Charter and Policy.

SECTION 5. IT STEERING COMMITTEE. The IT Steering Committee shall consist of two Directors, the Information Security Officer, the IT Specialist, the President and Treasurer. The committee shall review, consider and make recommendations to the Board pertaining to Information Technology and Cybersecurity. The responsibilities and operations of the IT Steering Committee are set forth in the IT Steering Committee Charter and Policy.

SECTION 6. BUILDING COMMITTEE. The Building Committee shall consist of two directors and the President of the Association. The committee shall consider, review, recommend and monitor all Bank building and renovation projects.

SECTION 7. MEETINGS. The Committees shall hold regular monthly or quarterly meetings as such time as shall be determined by vote of the Committee.

ARTICLE VII

Duties of Officers of the Bank

SECTION 1. CHAIRPERSON OF THE BOARD. The Chairperson of the Board shall preside at all Board meetings and shall be responsible for administering and executing the agendas for such meetings. In the absence of the Chairperson, the meeting shall appoint a Chairperson pro-tem.

SECTION 2. PRESIDENT. The President shall be the Chief Executive Officer (CEO). The President shall be charged with the full administrative and management responsibilities of the Association under policies established by its Directors. The Vice President/Treasurer shall perform all the duties of the President in his or her absence.

SECTION 3. VICE PRESIDENT and TREASURER. The VP/Treasurer shall be responsible for all financial matters, including all monies received and paid, and all financial reporting in the name of the Association. The VP/Treasurer shall make available a written statement of the same at each monthly Board meeting.

The VP/Treasurer or President may sign checks drawn on the Association. The Board may also authorize other officers to sign checks.

SECTION 4. VICE PRESIDENT and ASSISTANT TREASURER. The VP and Assistant Treasurer shall be responsible for the Customer Service Area and the Bank Secrecy Act (BSA) Program for the Association.

SECTION 5. ASSISTANT VICE PRESIDENT and COMPLIANCE OFFICER. The Assistant Vice President/Compliance Officer shall be responsible for overseeing and administering the Association's Compliance Management Program.

ARTICLE VIII

Reserve Fund

SECTION 1. The Association shall establish and maintain a guaranty or reserve fund as required by either State or Federal Regulation.

ARTICLE IX

Execution of Papers

SECTION 1. All conveyances of real estate, discharges, releases, or assignments of mortgages, and all specialties to which the Corporation shall be party, shall be executed by the President or the Treasurer, under the seal of the Corporation, and unless so executed shall not be valid or binding. The acknowledgment of any of the above mentioned instruments, either by the President or Treasurer, as the act and deed of the Corporation, shall be sufficient acknowledgment of such instrument.

ARTICLE X

Insurance

SECTION 1. All policies of insurance shall be in companies acceptable to the Association written in the name of the owner, and made payable, in case of loss, to the Bar Harbor Savings and Loan Association, mortgagee, as its interest may appear, and it shall be the duty of the Treasurer or their designate to have the insurance continued at the expense of the insured, should he or she neglect to have the policy renewed after being notified of the expiration of the same.

ARTICLE XI

Equal Distribution of Assets

SECTION 1. All types of deposits issued by this Association shall participate equally in the distribution of the assets of the Association in the event of voluntary dissolution.

ARTICLE XII

Separability

SECTION 1. If any provision of the By-Laws or the application thereof to any individual or circumstances is held invalid, the remainder of the By-laws and the application of such provision to other individuals or circumstances shall not be affected thereby.

SECTION 2. All provisions of the By-Laws shall be subject to all provisions of state laws and regulations and all provisions of federal laws and regulations applicable to Savings and Loan Associations.

ARTICLE XIII

Amendments

SECTION 1. These By-laws may be amended or a new by-law adopted by a two-thirds vote of the members present and voting at an annual or special meeting; PROVIDED, the call for said meeting shall state that an amendment to a named Article of the By-Laws is proposed.