



SBT Bancorp

CORPORATE GOVERNANCE COMMITTEE CHARTER

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This Corporate Governance Committee Charter (the “Charter”) has been adopted by the Board of Directors (the “Board”) of SBT Bancorp, Inc. (the “Company”) to assist the Company’s Corporate Governance Committee (the “Committee”) in the exercise of its responsibilities. The purpose of the Committee shall be to assist the Board in (1) identifying qualified individuals to become Board members, (2) determining the composition of the Board and its committees, (3) monitoring a process to assess Board effectiveness, and (4) developing and implementing the Company’s corporate governance guidelines, and (5) annually reviewing and overseeing the Company’s Conflict of Interest Policy.

Composition

There shall be a committee of the Board known as the Corporate Governance Committee. The Committee shall be comprised of no fewer than three directors who are appointed annually by the Chairman of the Board. The Committee members must be independent of the management of the Company and free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as Committee members.

If the full Board does not elect a chairperson for the Committee, then the Committee may designate a chairperson by majority vote of the full Committee membership.

Goals and Responsibilities

The Committee shall:

- Develop and recommend to the Board a statement of the criteria for selecting new directors. The criteria shall include the qualifications, competencies and personal attributes that the Committee deems necessary for effective Board membership.
- Identify individuals who are qualified to become Board members. The Committee shall recommend that the Board select the director nominees for the next annual meeting of shareholders.
- Plan for the periodic evaluation of the full Board and the Board chairperson and for Board education, including new member orientation and education for Board members.
- Evaluate the performance of Board members eligible for reelection and recommend the reelection of Board members who are performing effectively.
- Review the Board’s committee structure and recommend to the Chairman of the Board those directors to serve as members of each committee.
- Develop and recommend to the Board a set of corporate governance principles and policies designed to provide for effective and efficient governance of the Company. These principles and policies include, but are not limited to: policies for the evaluation of the Board, election and reelection of Board members and Board orientation and education.
- From time to time review and make recommendations to the Board with respect to the compensation of directors.

- An annual review and reassessment of the adequacy of this Charter and recommend any proposed changes to the Board for approval.

The Committee shall have the authority to delegate any of its responsibilities to sub-committees as the Committee may deem appropriate in its sole discretion.

The Committee shall have the sole authority to obtain advice and assistance from internal or external legal, accounting or other advisers.

Meetings

The Committee shall meet at least four times per year or when necessary at the call of the Committee chairperson.