

**JOINT  
HANOVER COMMUNITY BANK AND HANOVER BANCORP, INC.  
CORPORATE GOVERNANCE GUIDELINES  
BOARD APPROVAL 12/20/2023**

The Boards of Directors (the "Board") of Hanover Community Bank and Hanover Bancorp, Inc. (collectively, the "Company") have adopted the following Corporate Governance Guidelines (the "Guidelines") to assist the Boards in the exercise of their duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and the Company's charter and bylaws, each as amended and in effect from time to time. The Guidelines provide a framework for the conduct of the Board's business. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

**A. Director Responsibilities**

1. Oversee Management of the Company. The principal responsibility of the directors is to oversee the management of the Company and, in so doing, serve the best interests of the Company and its stockholders. This responsibility includes:
  - Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
  - Evaluating the performance of the Company and, with the Board's Compensation Committee, its senior executives and taking appropriate action, including removal, when warranted.
  - Requiring, approving and implementing senior executive succession plans.
  - Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.
  - Developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
  - Providing advice and assistance to the Company's senior executives.
  - Evaluating the overall effectiveness of the Board and its committees.
2. Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candor, directors are expected to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders.

3. Understand the Company and its Business. Directors have an obligation to become and remain informed about the Company and its business, including the following:
- The principal operational and financial objectives, strategies and plans of the Company.
  - The results of operations and financial condition of the Company and of significant subsidiaries and business segments.
  - The relative standing of the company and vis-à-vis competitors.
  - The factors that determine the Company's success.
  - The risks and problems that affect the Company's business and prospects.
4. Establish Effective Systems. Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company, including the following:
- Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues.
  - Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results.
  - Risks faced by the Company and plans and processes in place to mitigate those risks.
  - Financial statements, with appropriate underlying details.
  - Adoption, implementation and monitoring of effective compliance programs to assure the Company's compliance with law and corporate policies.
  - Material litigation and governmental and regulatory matters.

Directors should also periodically review the integrity of the Company's internal control and management information systems.

5. Board and Committee Meetings. Directors are responsible for attending Board meetings and meetings of committees on which they serve, and devoting the time needed, and meeting as frequently as necessary, to discharge their responsibilities properly. Although it is understood that scheduling conflicts may arise, the Nominating and Corporate Governance Committee (“NCG”) will discuss

continuing Board service with any member who attends fewer than 75% of all meetings of the Board and committees on which such member serves.

6. Reliance on Management and Advisors; Indemnification. The directors are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel, except to the extent that any such person's integrity, honesty or competence is in doubt. The directors are also entitled to Company-provided indemnification, statutory exculpation and directors' and officers' liability insurance.
7. Maintain Confidentiality. As part of the fiduciary duty owed by directors to the Company and its shareholders, directors are required to keep non-public Company information strictly confidential. This includes information provided in connection with Board meetings and Board deliberations themselves. Unauthorized disclosure could cause the Company to violate Federal laws or contractual requirements, and force the Company to make untimely public disclosure of confidential information.

## **B. Director Qualification Standards**

1. Independence. A majority of the members of the Board shall be independent directors. To be considered independent: (1) a director must be independent as provided under the listing standards of any market on which the Company's common stock is then traded and (2) in the Board's judgment, the director must not have a relationship which would interfere with the exercise of the director's independent judgment in carrying out the director's duties as a member of the Board.
2. Other Directorships. A director shall limit the number of other public company boards on which he or she serves so that he or she is able to devote adequate time to his or her duties to the Company, including preparing for and attending meetings. Service on boards and/or committees of other organizations shall comply with any of the Company's conflict of interest policies.
3. Tenure. The Board does not believe it should establish term limits. Term limits could result in the loss of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and an institutional memory that benefits the entire membership of the Board as well as management. As an alternative to term limits, the NCG shall review each director's continuation on the Board at least every three years. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board and allow the Company to conveniently replace directors who are no longer interested or effective.
4. Lead Independent Director. To the extent the Company's Chairman also serves as an Executive Officer of the Company, the Board shall appoint an independent

director to serve as "Lead Independent Director" in the conduct of Board Executive Session meetings.

The Lead Independent Director shall:

- Chair any meeting of the non-management or outside directors in executive session;
  - Participate with the Chairman in meeting with any director who is not adequately performing his or her duties as a member of the Board or any committee;
  - As necessary, work with the Chairman of the Board in the preparation of the agenda for each Board meeting and in determining the need for special meetings of the Board.
5. Selection of New Director Candidates. The NCG shall be responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and (ii) recommending to the Board the persons to be nominated by the Board for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board.
  6. Ownership of Company Stock. In order to ensure alignment of interests between Board members and the shareholders of the Company, it is expected that all Board members will have an investment in the common stock of the Company. See Section L below regarding the required amount of such investment.
  7. Resignation Upon Certain Changes. Each member of the Board shall submit a letter of resignation to the Chairman of the Board in the event such member changes his or her primary occupation or employment, or leaves or retires from the business with which such occupation or employment was carried out. Such letter shall then be provided to the NCG, which shall review and make a recommendation to the Board regarding such director's continued service on the Board. The Board shall then determine whether to accept the director's resignation.

### **C. Board Meetings**

1. Selection of Agenda Items. The Chairman of the Board shall establish the agenda for each Board meeting, in consultation with the Lead Independent Director. Each Board member is free to suggest the inclusion of agenda items and is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
2. Frequency and Length of Meetings. The Chairman of the Board, in consultation with the members of the Board, shall determine the frequency and length of the

Board meetings. Special meetings may be called from time to time as determined by the needs of the business and in accordance with the Company's bylaws.

3. Advance Distribution of Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable. Presentations made at Board meetings should do more than summarize previously distributed Board meeting materials.
4. Executive Sessions. The independent directors shall meet in executive session periodically to discuss, among other matters, the performance of the Chief Executive Officer. The independent directors will meet in executive session at other times at the request of any non-management director. Absent unusual circumstances, these sessions shall be held in conjunction with regular Board meetings. The Lead Independent Director shall preside at these meetings.

#### **D. Board Committees**

1. Key Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each such committee shall have a charter that has been approved by the Board. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

#### **E. Director Access to Management and Independent Advisors**

1. Access to Officers and Employees. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.
2. Access to Independent Advisors. The Board, and to the extent provided for in its charter, certain committees have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. To the extent not otherwise prohibited by law or any applicable rules of any stock exchange on which the Company's securities are then listed, such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further

action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

## **F. Director Compensation**

1. Role of Board and Compensation Committee. The form and amount of director compensation shall be determined by the Board in accordance with the policies and principles set forth below. The Compensation Committee shall conduct an annual review of the compensation of the Company's directors and make recommendations to the NCG and/or full Board. The Compensation Committee shall consider that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts or business arrangements with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.
2. Form of Compensation. The Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of the Company's stockholders.
3. Amount of Consideration. The Company seeks to attract exceptional talent to its Board. If at any time compensation is to be paid for Board and/or Committee service it will be the Company's policy to compensate directors at least competitively relative to comparable companies. The Compensation Committee shall obtain, from time to time, either from management of the Company or from an independent consultant retained by the Compensation Committee, as determined by the Compensation Committee, a comparison report, comparing the Company's director compensation with that of comparable companies.
4. Employee Directors. Directors who are also employees of the Company shall receive no additional compensation for Board or committee service.

## **G. Director Orientation and Continuing Education**

1. Director Orientation. The Board and the Company's management shall conduct a mandatory orientation program for new directors. The orientation program shall include presentations by management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation program shall include a review of the Company's expectations of its directors in terms of time and effort and a review of the directors' fiduciary duties. All other directors are also invited to attend the orientation program.

2. Continuing Education. Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties and to recognize and deal appropriately with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

## **H. Management Evaluation and Succession**

1. Selection of Chief Executive Officer. The Board selects the Company's Chief Executive Officer in the manner that it determines to be in the best interests of the Company's stockholders.
2. Evaluation of Senior Executives. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's Chief Executive Officer. The Compensation Committee and the Chief Executive Officer shall be responsible for overseeing the evaluation of the Company's other senior executives. In conjunction with the Audit Committee and the participation of the Chief Executive Officer, in the case of the evaluation of the senior financial executives, the Compensation Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation; supervise the conduct of the evaluation and prepare assessments of the performance of the Company's senior executives to be discussed with the Board periodically. The Board shall review the assessments to ensure that the senior executives are providing the best leadership for the Company over both the long and short-term.
3. Succession of Senior Executives. The NCG shall present an annual report to the Board on succession planning, which shall include transitional Board leadership in the event of an unplanned vacancy. The entire Board shall assist the Committee in finding and evaluating potential successors to the Chief Executive Officer, the Chief Financial Officer and other executive officers. The Chief Executive Officer, the Chief Financial Officer and other executive officers should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The NCG shall identify, and periodically review and reassess, the qualities and characteristics necessary for an effective Chief Executive Officer, Chief Financial Officer and other executive officers. With these principles in mind, the NCG should periodically monitor and review the development and progression of potential internal candidates against these standards.

## **I. Annual Performance Evaluation of the Board**

The NCG shall oversee an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The NCG shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the

Board's performance, to be discussed with the Board. The purpose of this process is to improve the effectiveness of the Board and its committees and not to target individual Board members.

**J. Board Interaction with Institutional Investors, the Press, Customers, Etc.**

The Board believes that the Chief Executive Officer and his or her designees speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is, however, expected that Board members do so with the knowledge of, and absent unusual circumstances or as contemplated by the committee charters, only at the request of the Company's Chief Executive Officer.

**K. Periodic Review of the Corporate Governance Guidelines**

The NCG shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

**L. Stock Ownership**

In order to ensure alignment of interests between Board members, executive management and the shareholders of the Company, it is expected that all members of the Board will have a meaningful investment in the common stock of the Company. To ensure this meaningful investment, each member of the Board of Directors will be required to own a minimum of 10,000 shares of the Company's common stock.

Each member of the Board of Directors must comply with the forgoing requirements not later than the first anniversary of such Directors first appointment to the Board. The Compensation Committee monitors ownership levels and compliance on an annual basis. Below is a summary of shares that qualify for the ownership requirements described above (unexercised stock options are excluded):

- Beneficially owned shares that the individual owns or has voting power including the power to vote (including restricted shares), or to direct the voting; and/or, investment power including the power to dispose or to direct the disposition.

Notwithstanding the forgoing, the NCG retains the right to recommend to the Board that it waive or modify this requirement in a particular case for good cause beneficial to the Company.