

**AMERISERV FINANCIAL, INC.**  
**COMPENSATION/HUMAN RESOURCES COMMITTEE CHARTER**

As a committee of the Board of Directors (the “Board”), the role of the Compensation/Human Resources Committee (the “Committee”) is to ensure that executive, organization-wide, and director compensation programs of AmeriServ Financial, Inc. and its subsidiaries (collectively, “AmeriServ”) support the mission of the organization. In addition, this Committee shall assure that the Human Resources functions of AmeriServ work for the best interests of the Company and its employees.

**Compensation Function:**

The Committee’s fourfold purpose with regard to compensation is to ensure that AmeriServ’s compensation programs, including its incentive plans:

- Do not encourage unnecessary or excessive risk to the value of AmeriServ-
- Support the long-term mission of AmeriServ and help AmeriServ attract and retain high quality management and directors through competitive, flexible compensation arrangements that adequately reward significant achievement in a manner that is economically defensible and consistent with corporate performance;
- Comply with disclosure and other legal, tax and regulatory requirements; and
- Are effectively communicated, as appropriate, to interested parties, including investors, non-committee Board members, officers, employees and the community.

Ultimately, the Committee’s oversight of Compensation spans a broad range of issues, including:

- An understanding of AmeriServ’s long-term goals;
- Director compensation for AmeriServ;
- CEO base compensation, cash-based incentive compensation and stock based compensation;
- Evaluate and review other executive base compensation, cash-based incentive compensation and stock based compensation with compensation adjustments for AmeriServ’s named executive officers in its proxy statement on an individual basis after receiving recommendations from the CEO;
- Executive employment and change in control agreements;

- Total personnel costs for the organization; and
- Review management succession plans.

The Committee's responsibilities in meeting its objectives can be classified into three different categories of activities; evaluation of program competitiveness, management of the program, and refinement of the program's strategy.

### **Evaluation of Compensation Program Competitiveness**

- Review findings regarding competitive positioning of compensation in light of ongoing performance results. The findings should incorporate as assessment of:
  - AmeriServ's financial and securities market performance;
  - Executive compensation competitiveness by position (survey-based and peer-based); and
  - Aggregate organization-wide compensation competitiveness and total personnel costs.
- Identify issues of concern and develop an action plan and a corresponding timetable for addressing such issues.

### **Management of Compensation Program**

- Approve and report compensation adjustments in light of evaluation findings subject to concurrence by the Board
  - Approve and report all elements of CEO total compensation without the participation of the CEO;
  - Evaluate and review, on an individual basis, salary increases for the named executive officers in AmeriServ's proxy statement based on the CEO's recommendations;
  - Approve and report all cash-based incentive plan cycles, goals, eligibility, award opportunities, etc., in light of:
    - Future performance challenges;
    - Sustained performance results;
    - Competitive practices; and
    - Do not encourage unnecessary or excessive risk to the value of AmeriServ
  - Approve and report aggregate organization-wide salary budget; and
  - Approve and report directors' compensation plan adjustments.

- Approve and report all stock based compensation awards.
- Approve and report incentive compensation plan and periodic targets for distribution of executive incentive awards in light of performance delivered relative to plan goals.
- Approve proxy statement disclosure of executive compensation incompliance with pertinent regulations.
- Approve the Compensation Committee Report for inclusion in the proxy statement. The report should address the following:
  - Compensation competitiveness as defined by survey and peer analyses including base salary, cash-based incentive compensation, if any, and stock-based compensation;
  - Financial, operational and securities market performance analysis;
  - Assessment of existing incentive plan(s) operation; and
  - Potential plan modifications and compensation program changes in light of tax, legal, and accounting imperatives.
- Recommend to the Board plan modifications in light of organization challenges and objectives.
- Approve and report new employment or change in control agreements, if any, and modifications to existing employment or change in control agreements, provided, however, that Committee oversight of these matters shall not create any implication that it is the policy of the Board of Directors of AmeriServ to enter into employment agreements.
- Address internal committee management issues, including the annual review of this charter.

### **Refinement of Compensation Program Strategy**

- Evaluate the existing executive compensation strategy to ensure that it continues to support AmeriServ’s long-term mission.
- Evaluate the existing compensation programs to ensure that they provide for appropriate levels of “fixed” and “variable” or “at risk” compensation to encourage appropriate decision making for its executives and other highly compensated employees and discourage the taking of unnecessary and excessive risk.

- Receive and review management recommendations regarding the executive compensation program.
- Review effect of actual and proposed changes to applicable tax code, accounting rules, and other legal changes and their implications for AmeriServ's executive and employee compensation programs.
- Identify areas for modification as appropriate.

### **Human Resources Function:**

The Committee shall have general oversight of the Human Resource function at the Bank, including, but not limited to:

1. Review of Human Resources policies that affect personnel throughout the Company
2. Review of compliance with Federal and State human resource laws, including, but not limited to the Fair Labor Standards Act, the Family Medical Leave Act, Title VII of the Civil Rights Act, the Americans with Disabilities Act, and the Age Discrimination in Employment Act.
3. Review of complaints of discrimination by Company employees, such as sexual harassment, age discrimination, disability discrimination, race discrimination, religious discrimination, national origin discrimination, and retaliation discrimination. This includes any EthicsLine submission which requires investigation or action recommended by the Director of Human Resources.
4. Review of disciplinary procedures and disciplinary actions, such as terminations of employment
5. Review of litigation involving human resources issues
6. Review of collective bargaining process with United Steelworkers of America
7. Review of non-Union employee pay rates
8. Review of Human Resources Handbook

### **Guidelines for Compensation/Human Resources Committee Administration**

- In accordance with AmeriServ's Bylaws, the members of the Committee, including the Chairperson and Vice Chairperson, shall be recommended by the Corporate Governance/Nominating Committee and appointed by the Board of Directors.
- The Committee is comprised of appointed independent Directors and Officers as determined by the ASRV Board of Directors. The directors all of whom are independent within the meaning of the NASDAQ Stock Market LLC ("NASDAQ") listing rules. The NASDAQ listing standards define an "Independent Director" as a person other than an officer or employee of AmeriServ or any other individual having a relationship, which, in the opinion of AmeriServ's Board of Directors,

would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent: (A) a director who is employed by AmeriServ within the past three years; (B) a director who accepts or who has a nonemployee Family Member (includes spouse, children (including spouse's children), brothers, sisters, parents, sons-in-law, daughters-in-law, grandparents and grandchildren). who accepts any payments from AmeriServ in excess of \$120,000 during any twelve consecutive month period with the three years preceding the Board's determination of independence, other than (i) compensation for board or board committee service, (ii) compensation paid to a Family Member, who is employed (but not an executive officer) of AmeriServ, (iii) benefits under a tax qualified retirement plan, or nondiscretionary compensation; (C) a director who is a Family Member of an individual who is, or within the past three years was, employed by AmeriServ as an executive officer; (D) a director who is a partner in, or a controlling shareholder or an executive officer of, any organization to which AmeriServ made, or from which AmeriServ received, payments in the current fiscal year or any of the past three fiscal years that exceeded 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than payments arising solely from investments in AmeriServ's securities or payments under non-discretionary charitable contribution matching programs; (E) a director of AmeriServ who is, or has a Family Member who is, employed as an executive officer of another entity where any at any time during the past three years any of the executive officers of AmeriServ serve on the compensation committee of such other entity; or (F) a director who is, or has a Family Member who is, a current partner of AmeriServ's outside auditor, or was a partner or employee of AmeriServ's outside auditor and worked on AmeriServ's audit, at any time during any of the past three years.

- The Committee shall report to the Board.
- A majority of the members of the Committee shall constitute a quorum.
- The Committee will have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, independent legal counsel, or other advisor, and shall be directly responsible for the appointment, compensation, and oversight of the work of any compensation consultant, independent legal counsel, or other advisor retained by the Committee. The Committee will receive appropriate funding for the payment of reasonable compensation, as determined by the Committee, to such compensation consultant, independent legal counsel or any other advisor retained by the Committee. The Committee may select a compensation consultant, legal counsel or other advisor only after taking into consideration the factors set forth in SEC Rule 10C- 1(b)(4) under the Securities Exchange Act of 1934 and any additional factors set forth in the NASDAQ listing standards.

- At least two formally scheduled meetings of the Committee shall occur each year, and additional meetings shall be called by the Chairperson as deemed necessary or appropriate.
- The CEO of AmeriServ and the Sr. Vice-President Chief Human Resources and Corporate Services Officer should be prepared to provide information requested of him or her and to respond to specific questions posed by the Committee. The CEO's and the Sr. Vice-President Chief Human Resources and Corporate Services Officer's participation in Committee meetings will be limited, as defined above, to providing information to the Committee.
- The Committee, and each member of the Committee, in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by: (i) officers and other employees of AmeriServ, who such member believes to be reliable and competent in the matters presented, (ii) counsel, public accountants or other persons as to matters that the member believes to be within the professional competence of such person.