

Title	Last Board of Directors' Revision Approval Date	
Compensation Committee Charter	6/17/2025	

**FIDELITY D&D BANCORP, INC. and
FIDELITY DEPOSIT & DISCOUNT BANK
COMPENSATION COMMITTEE
CHARTER**

I. Purpose

The Compensation Committee (the “**Committee**”) of the Board of Directors of Fidelity D&D Bancorp, Inc. (the “**Company**”) and Fidelity Deposit and Discount Bank (the “**Bank**”) is responsible for executive management salaries and benefits, incentive compensation, executive development and management planning.

II. Membership

The Committee shall consist of at least three (3) directors, each of whom shall satisfy the definition of independent director as defined under Nasdaq rules.

Committee members shall be appointed by the Board on an annual basis. Members shall serve until their successors are appointed. The Committee’s chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Committee may invite such members of management and other persons to its meetings, including, without limitation, the CEO, as it may deem desirable. Notwithstanding the foregoing, in no event shall the CEO be present when the Committee makes recommendations and/or decisions or holds deliberations regarding the compensation of that officer.

III. Structure of the Meetings

- a. Meetings shall be held at least annually, or more frequently as circumstances dictate.
- b. A quorum consisting of a majority of current members will be required to conduct the Committee’s business.
- c. The Chairperson shall have the authority to call a special meeting of the Committee or seek unanimous written consent of the Committee whenever he or she deems such a meeting or consent is necessary or desirable. A special meeting shall also be held whenever called by at least two (2) members of the committee.
- d. The chairperson of the Committee will preside at each meeting. In consultation with the other members of the Committee, the chairperson will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. In the event the chairperson of the Committee is unable to preside over a meeting, he or she may

designate another committee member to act as chairperson in his or her stead. The Committee chair or designee shall keep written minutes of all meetings and make regular reports to the Board with respect to its activities.

- e. In the event the chairperson of the Committee is unable to preside over a meeting, he or she may designate another committee member to act as chairperson in his or her stead. The Committee chairperson or designee shall keep written minutes of all meetings and make regular reports to the Board with respect to its activities.
- f. The Committee chairperson or any other committee member may request the presence of advisors, consultants, any banker of the Bank, including without limitation the CEO (except as set forth above in Section II), or any other person at a committee meeting.

IV. Committee Responsibilities

- The Committee shall have responsibility for developing and maintaining an executive compensation philosophy that creates a direct relationship among pay levels, corporate performance, and returns to shareholders. The Committee shall monitor the results of such relationship to ensure that the compensation payable to the Company's executive officers provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance, and is justified by the returns available to shareholders.
- The Committee shall have responsibility for approval of executive compensation and benefit plans, which may include amendments to existing plans, cash-and equity-based incentive compensation plans, and non-qualified deferred compensation and retirement plans.
- The Committee shall establish annually subjective and objective criteria to serve as the basis for the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those criteria, and determine the Chief Executive Officer's compensation based on that evaluation.
- The Committee shall establish annually subjective and objective criteria to serve as the basis for the other executive officers' compensation, evaluate the other executive officers' performance in light of those criteria, and determine the other executive officers' compensation based on that evaluation. The Committee will consult with the Chief Executive Officer with respect to the compensation of other executive officers.
- With respect to the Company's equity-based compensation plans, the Committee shall approve grants of stock options, restricted stock, performance shares, stock appreciation rights, and other equity-based incentives to the extent provided under the compensation plans. The Committee may delegate to the Chief Executive Officer all or part of the Committee's authority and duties with respect to grants

and awards to individuals who are not subject to the reporting requirements and other provisions of Section 16 of the Securities Exchange Act of 1934 as in effect from time to time.

- The Committee shall from time-to-time review and make recommendations to the Board of Directors regarding the compensation of non-employee directors.
- The Committee shall review and discuss with management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402. Based on such review and discussion, the Committee shall determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement for the annual meeting of shareholders.

V. Outside Advisors and Committee Resources

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal or other advisors and will notify the Board of Directors when it exercises such authority. The Committee shall have available to it such support personnel, including management, staff, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities. The Committee shall have the sole authority to retain and terminate any compensation consultant used to assist the committee in evaluating executive compensation, including sole authority to approve such consultant's fees and other retention terms.