

**CONSUMERS BANCORP, INC.  
CONSUMERS NATIONAL BANK**

**Charter**

**Compensation Committee**

**Status**

The Compensation Committee (the “Committee”) is a Committee of the Board of Directors of Consumers Bancorp, Inc. and Consumers National Bank.

**Membership**

The Committee shall consist of three or more directors each of who shall be independent in accordance with the rules of NASDAQ and must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. The Committee shall elect a Chairman annually. To establish a quorum, a member of the Board of Directors may be asked to serve as substitute member of this committee to act in the absence of one or more committee members.

**Responsibilities**

- I. The Compensation Committee is responsible to approve and recommend to the Board the overall compensation structure and benefit plans for directors, management and employees.
- II. The Committee shall review and recommend to the Board of Directors on matters relating to the performance of and on the salaries, bonuses, incentive compensation, benefits packages or plans and succession of the Chairman of the Board, President/CEO and Executive Managers.
- III. The Committee shall review and recommend the compensation of members of the Board of Directors.
- IV. The Committee shall periodically request that management provide peer comparison data regarding the status of Executive and Board compensation in relation to the Corporation’s peers and other similarly situated companies. The committee shall have the discretion to meet with an independent third party vendor and or legal counsel when considering changes to the organization’s compensation structure and or to periodically review Executive compensation structure. The Committee shall recommend changes to Executive and or Director Compensation for consideration by the Board of Directors as appropriate.
- V. The Compensation Committee shall manage all components of compensation packages of Executive Management on an integrated basis to achieve the following objectives: to attract and retain highly qualified management, to fairly compensate individuals based on their

individual performances and their contributions to the performance of the company, to provide short-term incentive compensation that varies directly with the Company's financial performance and to establish longer-term incentive goals that ties restricted equity awards to long-term strategic goals.

- VI. The Committee will review and discuss annually the Compensation Discussion and Analysis with management and recommend that it be included in the proxy statement.
- VII. The Committee shall perform an annual review and evaluation of the Committee's performance, including a review of the Committee's compliance with this Charter. The Committee shall conduct such evaluation and review in such manner, as it deems appropriate, and report the results of the evaluation to the entire Board of Directors.
- VIII. The Committee shall annually review and update this charter for consideration by the board of directors.
- IX. The Committee shall perform such additional duties or responsibilities as the Board may determine from time to time.

### **Meetings**

The Committee shall meet quarterly with additional meetings being called as often as necessary. The meetings shall be called at the discretion of the Committee Chairman. Participation at meetings may be in person or by teleconference with or without corresponding video.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions.

### **Reports**

The Compensation Committee shall prepare a report after each meeting and deliver a copy to the Board of Directors.