

WESTERN NEW ENGLAND BANCORP, INC.
FINANCE AND RISK MANAGEMENT COMMITTEE CHARTER
As of January 20, 2021

Purpose

The Finance and Risk Management Committee (the “Committee”) of Western New England Bancorp, Inc. (the “Company”) is a standing committee of the Board of Directors (“Board”). The purpose of the Committee is to assist the Board and the Executive Committee of the Board in fulfilling its responsibility with respect to (1) oversight of Company’s enterprise risk management framework and the governance structure that supports it, and (2) oversight of Company’s policies and practices relating to financial matters, including but not limited to, capital, liquidity and financing, as well as to merger, acquisition and divestiture activity (“M&A”).

The Committee’s role includes assisting the Board in the oversight of the guidelines, policies and processes for monitoring and mitigating risks. Generally, these risks can be categorized in the following classifications – credit risk, operational risk, liquidity risk, interest rate risk, price risk, compliance risk, reputation risk, strategic risk, including emerging risks. The Committee shall perform duties and responsibilities enumerated in and consistent with this Charter and shall consider risk in relation to the potential for growth and increase in shareholder value in compliance with safe and sound banking practices. The Committee also will, as directed by the Executive Committee or the Board, review financial strategic planning, corporate financial statements, projects or initiatives.

The Committee has responsibility for approval of the risk governance and financial strategy frameworks, oversight, and review. Executive and senior management of the Company (“Management”) is responsible for risk assessment and risk management, financial initiatives and review, and M&A policies.

Membership

The Committee will consist of at least three members of the Board of Directors. The members of the Committee and the Committee Chair shall be appointed by, and may be removed by, the Board of Directors based upon recommendations from the Nominating and Corporate Governance Committee. Committee membership shall be rotated periodically.

Structure and Operations

The Committee shall meet as often as it determines necessary, but not less than three times per year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall maintain minutes of its meetings and report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall meet periodically with Management including the Chief Risk Officer, the Chief Financial Officer and other members of Management.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

Authority; Delegation of Authority

In furtherance of its duties, the Committee shall have direct access to, and receive regular reports from, Management, including but not limited to, the Chief Executive Officer, Chief Risk Officer, the Chief Financial Officer and General Counsel and shall be provided any information it requests relating to its responsibilities. The Committee is empowered to approve and amend policies and programs falling under its purview. The Committee shall have the power to conduct reviews into any matter within its scope of responsibilities.

The Committee may form and delegate authority to subcommittees, composed of one or more members of the Committee, as necessary or appropriate. Each subcommittee shall have the full power and authority of the Committee.

Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

Oversight of Risk Management

- The Committee shall review and approve the level and nature of risks that the Company is willing to assume for its material activities and communicate in the form of a measurable Risk Appetite Statement. The Committee will monitor the Company's performance to ensure alignment with the tolerance levels articulated in the Risk Appetite Statement through the use of risk assessments, risk indicators, and stress testing results.
- The Committee shall receive information from the Chief Risk Officer and other Management, and approve recommendations for actions or other steps to be taken, as deemed appropriate, on items relating to the categories of risk including credit risk, operational risk, liquidity risk, interest rate risk, price risk, compliance risk, reputation risk, strategic risk risks, significant concentrations within those risk categories, and the metrics used to monitor the level of risk.
- Review the independence and authority of the Enterprise Risk Management function.
- Review the adequacy and frequency of risk reporting to the Board.
- Perform other activities related to this charter as requested by the Board and its Executive Committee.

Oversight of Financial and M&A Matters

- The Committee shall receive information from the Chief Financial Officer and other Management, and approve recommendations for actions or other steps to be taken, as deemed appropriate, on items relating to liquidity, repurchase plans and cash dividends.
- Review the Company's balance sheet, capital, funding, interest rate and liquidity management framework, including significant policies, processes, and systems that Management uses to manage financial performance.
- Review reports from Management concerning the Company's balance sheet structure.
- Review reports from Management concerning the Company's liquidity, deposit raising, and loan and funding activities.
- Review reports from Management concerning the Company's regulatory capital levels and capital structure.
- Review, as directed by the Executive Committee or the Board, major expenditures
- Review and make recommendations to the Board with respect to regular and special dividends on the Company's common stock.
- Review and make recommendations to the Board with respect to open market repurchases of the Company's common stock.
- Receive reports on the Company's strategy with respect to merger, acquisition and divestiture activity and review and make recommendations to the Board with respect to mergers, acquisitions and divestitures that require Board approval under the bylaws of the Company.

Other Responsibilities

- Participate in educational sessions to enhance their familiarity with risk and finance related issues.
- Perform such other functions as may be mandated by regulatory requirements applicable to such committees or delegated by the Board.
- Review significant pronouncements and changes to key regulatory requirements relating to the risk management area to the extent they apply to the Company.
- Share information with the Audit Committee of the Board of Directors as necessary and appropriate to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities.
- Review summaries of regulatory examination reports pertaining to matters that are within the purview of the Committee and Management's responses thereto.

Outside Advisors

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of consultants, independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any consultants, outside counsel and other advisors. The Committee shall receive

appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its consultants, outside counsel and any other advisors.

Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.