

The First Bancorp, Inc.

Compensation Committee Charter

Reviewed November 2020

Purpose

The Compensation Committee (the Committee) of The First Bancorp, Inc. is appointed by the Company's Board of Directors (the Board) to discharge the responsibilities of the Board relating to the compensation of the company's President/CEO and other executive officers. The Committee has overall responsibility for evaluating and approving all compensation plans, policies, and programs that affect the President/CEO and other executive officers and for significant company-wide compensation matters and policies in general.

Membership and Structure

The Committee shall consist solely of independent directors, and at minimum, must have two members appointed by the Board.

1. Independent directors are defined as those directors who are neither officers nor employees of the Company or its subsidiaries and who are otherwise "independent" under the rules of the Nasdaq Stock Exchange.
2. Members of the Committee shall serve at the pleasure of the Board and for such terms as the Board may determine.
3. The Board shall designate one member of the Committee as chairperson

Meetings

The Committee shall meet at least annually and hold such other meetings from time to time as may be called by the chairperson or any two members of the Committee. A majority of the members of the Committee shall constitute a quorum, and shall decide any question brought before any meeting of the Committee. Minutes shall be taken of each meeting, approved by the Committee at its next meeting, and retained by the Secretary of the Company as permanent records.

Duties and Responsibilities

1. President/Chief Executive Officer Compensation
 - a. The Committee shall review corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (CEO) and evaluate the CEO's performance in relationship to those goals and objectives.
 - b. The Committee shall set and approve the CEO's base pay along with any short and long-term incentive compensation annually.
 - i. Should the CEO be in attendance at this meeting, he/she will need to leave the room during the discussions and voting on his/her compensation.
2. Named Executive Officer Compensation
 - a. With recommendation and input from the CEO, the Committee will approve the base pay and any long and short-term incentive compensation of the Company's Named Executive Officers (NEOs), and members of the Executive Management Team.
3. Long and Short-Term Incentive Compensation
 - a. The Committee shall approve the overall concepts and structure of the Company's long and short-term incentive plans, and any subsequent amendments to these plans.
 - b. On an annual basis, the Committee will review and approve the goals and targeted awards for the CEO, NEOs and any other bank officer eligible for long and short-term incentive compensation.
 - c. Prior to the awarding of any long or short-term incentive compensation, the Committee will approve the amount of any cash or stock awards being granted.

4. Establish and review Company stock ownership guidelines for the Directors, CEO and NEOs of the Company.
5. Severance Agreements
 - a. The Committee will review and approve any severance or similar termination payments proposed to be made to any current or former CEO or NEO of the Company.
6. Regulatory Compliance
 - a. In consultation with Management, the Committee will oversee regulatory compliance with compensation matters, including overseeing the Company's policies on structuring the compensation program to preserve tax deductibility and, when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
 - b. The Committee will prepare an annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with SEC rules and regulations.
 - c. The Committee will review the Compensation Discussion and Analysis (CDA) proposed to be included in the Company's annual report on Form 10-K and in the proxy statement.
7. Miscellaneous
 - a. The Committee will:
 - i. Evaluate and recommend to the Board of Directors for approval Board and Committee fees
 - ii. Perform any other duties or responsibilities expressly delegated to the Committee by the Board relating to the Company's compensation programs.

Compensation Consultants

The Compensation Committee has the authority to retain or obtain the advice of any compensation consultants, outside legal counsel or other advisors (external advisors) as the Committee deems appropriate. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of such external advisors that it retains, and the Company shall provide appropriate funding and other resources for such advisors. The Committee will approve the external advisors' fees and other retention terms, and will have the authority to terminate any external advisor. The Committee shall also have the authority to obtain advice and assistance from Management as needed.

1. Hiring of Outside Compensation Consultants
 - a. The Committee will determine annually any potential conflicts of interest raised by the work of the external advisors retained by the Committee who are involved in determining or recommending executive compensation.
 - b. This determination will not include any advisor whose role is limited to advising on a broad based plan that is generally available for all employees.
2. Annual Review
 - a. As required by Nasdaq Rule 10C-1, prior to retaining the compensation consultant, the Committee will review the following factors:
 - i. Other services provided to the Company by the firm that employs the external advisor;
 - ii. Fees paid by the Company to the firm employing the external advisor as a percentage of the firm's total revenue;
 - iii. Ensuring that the firm employing the advisor had policies and procedures in place to prevent a conflict of interest.
 - iv. Any business or personal relationships between the external advisor and a member of the Compensation Committee;
 - v. Any Company stock owned by the external advisor; and,
 - vi. Any business or personal relationships between the Company's executive officers and the external advisor.

Delegation to Subcommittee

The Committee may, at its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are "non-employee Directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, and in effect from time to time, and "outside directors" for the purpose of Section 162(m) of the Internal Revenue Code as in effect from time to time.