

NorthWest Indiana Bancorp
Peoples Bank SB
Related Person Transactions Policy

Approved by the Board March 27, 2020

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INTRODUCTION

The NorthWest Indiana Bancorp and Peoples Bank SB (collectively, the "Bank") recognizes that Related Person Transactions (as defined below) may raise questions as to whether those transactions are consistent with the best interests of the Bank and its shareholders. It is the Bank's policy to enter into or ratify Related Person Transactions only when the Board of Directors, acting through the Nominating and Corporate Governance Committee or as otherwise described herein, determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Bank and its shareholders, including but not limited to situations in which the Bank may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Bank provides products or services to Related Persons (as defined below) on an arm's-length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Bank has adopted the procedures set forth below for the review, approval or ratification of Related Person Transactions.

DEFINITIONS

- An "executive officer" means its president, any vice president of the Bank in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the Bank.
- An "immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.
- A "Related Person" is:
 - a) an executive officer of the Bank;
 - b) a director, or nominee for director, of the Bank;
 - c) a shareholder beneficially owning in excess of five percent of any class of the Bank's voting securities ("Five-Percent Shareholder");
 - d) a person who is an immediate family member of an executive officer, director, director nominee or a Five-Percent Shareholder; or
 - e) an entity in which a person listed in a. through d. above has a ten percent or greater interest or for which such person serves as an officer, a general partner or in a similar capacity.
- A "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Bank or an affiliate of the Bank is a participant, which involves an amount exceeding \$120,000, and in which a Related Person has a direct or indirect interest, other than loans subject to Regulation O promulgated by the Board of Governors of the Federal Reserve System.

APPROVAL PROCEDURES

The Board of Directors has determined that the Nominating and Corporate Governance Committee of the Board is best suited to review and approve Related Person Transactions.

1. Prior to entering into a Related Person Transaction, the Related Person shall provide notice to the CFO of the facts and circumstances of the proposed transaction, including:
 - the Related Person's relationship to the Bank and interest in the transaction;
 - the material facts of the proposed Related Person Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved;
 - the benefits to the Bank of the proposed Related Person Transaction;
 - if applicable, the availability of other sources of comparable products or services; and
 - an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.
2. If the CFO determines that the proposed transaction is a Related Person Transaction, the proposed transaction shall be submitted to the Nominating and Corporate Governance Committee for consideration at its next meeting; provided, however, that in those instances in which the CFO, in consultation with the CEO, determines that it is not practicable or desirable for the Bank to wait until the next Committee meeting or to call a special meeting, the proposed Related Party Transaction shall be submitted to the Chair of the Nominating and Corporate Governance Committee, who shall possess delegated authority to act between Nominating and Corporate Governance Committee meetings.
3. The Nominating and Corporate Governance Committee, or where submitted to the Chair, shall consider all of the relevant facts and circumstances available to the Nominating and Corporate Governance Committee or the Chair, including (if applicable) but not limited to: the benefits to the Bank; the impact on a director's independence in the event the Related Person is a director, an immediate family member of a director or an entity in which a director is a shareholder or serves as an officer, a partner, or in a similar capacity; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. No member of the Nominating and Corporate Governance Committee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person. The Nominating and Corporate Governance Committee or the Chair shall approve only those Related Person Transactions that are in, or are not inconsistent with, the best interests of the Bank and its shareholders, as the Committee or Chair determines in good faith. The Nominating and Corporate Governance Committee or Chair, as applicable, shall convey the decision to the appropriate persons within the Bank.

4. The Chair of the Nominating and Corporate Governance Committee shall report to the Nominating and Corporate Governance Committee at the next Nominating and Corporate Governance Committee meeting regarding any approval under this policy pursuant to delegated authority.

RATIFICATION PROCEDURES

In the event the Company's Chief Executive Officer or Chief Financial Officer becomes aware of a Related Person Transaction that has not been previously approved or previously ratified under this policy:

- If the transaction is pending or ongoing, it will be submitted to the Nominating and Corporate Governance Committee or Chair of the Nominating and Corporate Governance Committee promptly, and the Nominating and Corporate Governance Committee or Chair shall consider all of the relevant facts and circumstances available to the Nominating and Corporate Governance Committee or the Chair, including (if applicable) but not limited to: the benefits to the Bank; the impact on a director's independence in the event the Related Person is a director, an immediate family member of a director or an entity in which a director is a shareholder or serves as an officer, a partner, or in a similar capacity; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. Based on the conclusions reached, the Nominating and Corporate Governance Committee or the Chair shall evaluate all options, including but not limited to ratification, amendment or termination of the Related Person Transaction; and
- If the transaction has been completed, the Nominating and Corporate Governance Committee or Chair of the Nominating and Corporate Governance Committee shall evaluate the transaction, taking into account the same factors described above, to determine if rescission of the transaction and /or any disciplinary action is appropriate, and shall request that the Nominating and Corporate Governance Committee evaluate the Bank's controls and procedures to ascertain the reason the transaction was not submitted to the Nominating and Corporate Governance Committee or Chair for prior approval and whether any changes to these procedures are recommended.

REVIEW OF ONGOING TRANSACTIONS

At the Nominating and Corporate Governance Committee's first meeting of each fiscal year, the internal auditor shall report to the Nominating and Corporate Governance Committee any previously approved or ratified Related Person Transactions that remain ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from the Bank of more than \$5,000. Based on all relevant facts and circumstances, taking into consideration the Bank's contractual obligations, the Nominating and Corporate Governance Committee shall determine if it is in the best interests of the Bank and its shareholders to continue, modify or terminate the Related Person Transaction.

MONITORING & REPORTING

Maintaining a List

The Internal Auditor shall be responsible for maintaining a list of all Related Person Transactions to include the following information:

- Transaction Date
- Type of Transaction
- Account Name
- Account Number
- Transaction Amount
- Related Person
- Relation to Related Person
- Review Type (Reg. O or Related Party Transaction)
- Conclusion of Internal Audit review

Reporting by Related Persons

All directors, executive officers, and senior vice presidents of the Bank shall complete a Related Persons Annual Report in the form attached (**See Exhibit A**) annually. These forms must be completed by January 31 of each year and updated as changes occur.

Internal Audit Review

The Bank's Internal Audit Group is responsible for reviewing all Related Persons Transactions and reporting any findings with respect to such transactions to the Chief Financial Officer and the Bank's Disclosure Committee on a quarterly basis.

DISCLOSURE

All Related Person Transactions are to be disclosed in the Bank's filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, all Related Person Transactions shall be disclosed to the Nominating and Corporate Governance Committee of the Board and any Related Person Transaction required to be disclosed in the Bank's proxy statement under the securities laws shall be disclosed to the full Board of Directors.

OTHER REQUIREMENTS AND OBLIGATIONS

Management shall assure that all Related Person Transactions are approved in accordance with any regulatory requirements or contractual obligations to which the Bank is subject.

Policy Exhibit A
RELATED PERSONS ANNUAL REPORT FORM

The purpose of this form is to provide the Bank with information necessary to appropriately monitor Related Persons Transactions and to prepare its annual report on Form 10-K.

RELATED PERSON NAME: _____

Please state the first and last names of all related parties fitting the below criteria:

RELATIONSHIP	RELATED PARTY FULL NAME (OR N/A)
Children	
Step-Children	
Parent	
Step-Parent	
Spouse	
Siblings	
Mother-In-Law	
Father-In-Law	
Son-In-Law(s)	
Daughter-In-Law(s)	
Brother-In-Law(s)	
Sister-In-Law(s)	
Business Partner	
Affiliated Companies	

 Related Person Signature

 Title

 Date