

Finward Bancorp
Peoples Bank
Related Person Transactions Policy

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INTRODUCTION

Finward Bancorp (f/k/a NorthWest Indiana Bancorp) and Peoples Bank (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 (the "Board"), 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, and monitoring of Related Person Transactions.

DEFINITIONS

- An "executive officer" means, pursuant to SEC Rule 16a-1(f), , the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Controller, the Chief Risk Officer & General Counsel, and the Chief People Officer.
- 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.

POLICY GOVERNANCE

The Nominating and Corporate Governance Committee of the Board is responsible for the oversight of this Related Person Transaction Policy. The Nominating and Corporate Governance Committee shall review and approve this Policy at least once every calendar year.

The Nominating and Corporate Governance Committee delegates responsibility for the implementation of this Policy and for the day-to-day management of Related Person Transactions to the President. The President shall be the Policy Owner for this Policy. The Policy Owner will ensure that this Policy is reviewed at least once every calendar year, and additionally updated as changes to applicable laws, regulations, or internal processes warrant.

APPROVAL PROCEDURES

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

1. Any executive officer, director, or nominee for director, that either wishes to enter into a Related Person Transaction with the Bank, or has knowledge of a proposed Related Person Transaction involving any other Related Person directly associated with that executive officer, director, or director nominee, shall provide notice to the President 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. The President will also utilize the review of the Chief Retail Lending Officer, Chief Business Banking Officer, the Salesforce platform, the Encompass Loan Origination Software System ("Encompass System") as well as the Decision Pro software system ("Decision Pro"), through its integration with the Salesforce platform, as an additional control to monitor for any previously unreported Related Person Transactions. A notification alert will be sent to the President, the Chief Risk Officer and General Counsel, the Chief Retail Lending Officer, and the Chief Business Banking Officer, when an employee creates an "Opportunity" within the Salesforce platform, or enters information into the Encompass or Decision Pro system, that includes information matching any of the Related Person information uploaded into the platforms by the Bank's Salesforce & nCino Product Manager (the "Salesforce Manager") as described below in the "Reporting by Related Persons" section.

3. If the President 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 President, in consultation with the Chief Executive Officer ("CEO"), determines that it is not practicable or desirable for the Bank to wait until the next Nominating and Corporate Governance Committee meeting or to call a special meeting, the proposed Related Person 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.
4. 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.
5. 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 CEO or President 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.

ADDITIONAL MONITORING & REPORTING CONTROLS

The Bank will utilize the following additional monitoring and reporting controls in an attempt to monitor for all Related Person Transactions:

Reporting by Related Persons

At least annually, all directors and executive officers of the Bank shall complete the Related Persons tracking informational question as part of the Questionnaire for Directors, Director Nominees and Executive Officers of Finward Bancorp (the "D&O Questionnaire"). The D&O Questionnaire must be completed in a timely manner to complete the annual Proxy Statement. The Related Persons information provided within the D&O Questionnaire will be provided to the Salesforce Manager, and uploaded into the Salesforce platform for monitoring purposes.

In the intervals between D&O Questionnaire periods, all directors and executive officers should promptly report any updates or changes to the Related Persons tracking information provided within the most recently completed D&O Questionnaire to the Bank's President utilizing the Updates To Related Persons Report in the form attached (**See Exhibit A**) as necessary. The President will provide any Updates To Related Persons Reports to the Bank's Corporate Secretary's Office and the Salesforce Manager. The Salesforce Manager will upload the updated information into the Salesforce platform for monitoring purposes.

Maintaining a List

The President shall also 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)

REVIEW OF ONGOING TRANSACTIONS

At a meeting of the Nominating and Corporate Governance Committee during the first quarter of each fiscal year, the President 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.

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.

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
UPDATES TO RELATED PERSONS REPORT FORM

The purpose of this form is to provide the Bank with information necessary to appropriately monitor Related Persons Transactions due to any updates or changes to the information provided within the annual D&O Questionnaire.

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