

Ponce Financial Group

and all Subsidiaries

Compensation Committee Charter

Approved by the Board of Directors – June 2025

Compensation Committee Purpose

The Compensation Committee (the “Committee”) shall oversee the administration of the compensation programs of Ponce Financial Group (the “Company”), review the compensation of executive officers and prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). The Committee shall report to the Board of Directors of the Company (the “Board”) on a regular basis and in any event not less than once a year. The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. The Committee shall have the authority, in its sole discretion, to select, retain and terminate independent legal counsel, compensation advisers and other experts with expertise in incentive compensation and risk management; and shall be directly responsible for the appointment, compensation and oversight of the work of any such advisors and experts. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other advisor retained by the Compensation Committee in accordance with this Charter.

Compensation Committee Composition

The Committee shall be comprised of a least two directors as appointed by the Board, each of whom shall meet the independence requirements under the rules and regulations of the NASDAQ Listing Rules and the SEC as in effect from time to time and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee. In determining the members of the Committee, the Board shall consider whether the members qualify as “non- employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, and as “outside directors” as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

Each compensation committee member must not accept directly or indirectly any “consulting, advisory or other compensatory fee” from the company or any subsidiary of the company while serving on the compensation committee. A “compensatory fee” does not include fees for board or committee service or the receipt of fixed amounts under a retirement plan (including deferred compensation) for prior service with the company that are not contingent on continued service. The members of the Committee shall be elected by the Board at the organizational meeting of the Board following each annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. The Chair of the Committee shall be appointed by the Board.

Compensation Committee Meetings

The Committee shall meet at such times and from time to time as it deems appropriate, but not less than once each year. The Committee may request members of management or others to attend meetings and provide pertinent information as necessary.

Compensation Committee Responsibilities and Duties

The duties of the Committee shall include the following:

Executive Compensation

- In consultation with senior management, establish the Company’s general compensation philosophy, and oversee the development and implementation of compensation programs, forms and types of employment contracts and contractual benefits utilized.
- Review and approve corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer (“CEO”) and all other Executive Officers, evaluate the performance of the CEO and all other Executive Officers in light of those goals and objectives, and set the CEO’s and all other Executive Officers compensation level based on this evaluation. In determining the long term incentive component of CEO and all other Executive Officers compensation, the Committee shall consider, among other factors, the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs and Executive Officers at comparable companies and the awards given to the CEO and Executive Officers in past years.
- Review and approve compensation programs applicable to the senior management of the Company.
- Determine the compensation of the CEO on an annual basis in executive session in which the CEO may not be present during the deliberations or voting conducted by the Committee.
- Make recommendations to the Board with respect to the Company’s incentive compensation plans and equity-based plans including the Company’s Key Executive Incentive Bonus and Option Plan and oversee the activities of the

individuals and committees responsible for administering these plans and discharge any responsibilities imposed on the Committee by any of these plans.

- Evaluate the Company's incentive compensation plans to insure that such plans, individually or collectively, (i) do not encourage excessive risk-taking beyond the ability to identify and manage risk; (ii) are compatible with effective controls and risk management; and (iii) are supported by strong corporate governance and board oversight.
- Assess whether the overall design and performance of the Company's incentive compensation plans are consistent with the Company's safety and soundness.
- Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
- Periodically review director compensation and benefits and recommend to the Board any changes as it deems appropriate.

Other Committee Responsibilities

- Produce an annual report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
- Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.
- Annually review and assess the adequacy, and update as necessary, this Charter.
- Annually approve the Compensation Discussion and Analysis for inclusion in the Company's Annual Proxy Statement.
- Review and discuss with the Board corporate succession plans for the CEO and other key officers of the Company
- The Committee may perform such other functions as may be requested by the Board from time to time.

Independence Assessment

Before selecting, or receiving advice from, a compensation adviser, other than in-house legal counsel, the compensation committee must conduct an independence assessment by considering the following six factors:

- the provision of other services to the Company by the person that employs the compensation adviser;
- the amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
- the policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation adviser with a member of the compensation committee;
- any stock of the Company owned by the compensation adviser; and

- any business or personal relationship of the compensation adviser or the person employing the adviser with an executive officer of the Company.

The Committee must conduct the above outlined independence assessment with respect to any compensation consultant, legal counsel or other advisor that provides advice to the Committee, other than in-house counsel. These assessments will be conducted at least annually. There is no requirement that a compensation adviser actually be “independent,” only that the compensation committee have considered the six independence factors before selecting, or receiving advice from, a compensation adviser. The committee may utilize any compensation adviser that it prefers, as long as it has considered the six independence factors.

APPROVAL

Adopted by the Board of Directors:

Approved June 2024

By:

Lisette Rivera – Corporate Secretary