

**COMPENSATION COMMITTEE CHARTER
OF
BANCORP 34, INC.**

I. Compensation Committee Charter

The Board of Directors (the “Board”) of Bancorp 34, Inc. (the “Company”) has established a Compensation Committee (the “Committee”) and has adopted this Compensation Committee Charter to govern the Committee’s operation.

II. Purpose

The Compensation Committee is established by the Board of Directors of the Company to assist the Board in fulfilling its responsibilities relating to the compensation and benefits provided to the Company’s executive management (for the purposes of this Charter, “executive management” means each individual qualifying as an “officer” of the Company as defined by Securities and Exchange Commission (“SEC”) Rule 16a-1(f) and Board of Directors. The Committee is authorized to review, evaluate and recommend various benefit plans and overall compensation for the Company and its wholly owned subsidiaries.

III. Committee Membership

The Committee shall be composed of a minimum of three directors, each of whom shall satisfy applicable listing standards for independence. In addition, all members of the Committee shall be “non-employee directors” as defined by SEC Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed and qualified. Unless a Chair is appointed by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership.

The Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three, or in the event that the Board of Directors determines that the number of members on the Committee should be increased. The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board of Directors. Any Committee member may resign effective upon giving written notice to the Chairman of the Board, the Secretary or the Board of Directors. The Board shall appoint a successor when a resignation becomes effective.

IV. Meetings

The Committee shall meet at least annually, and may hold additional meetings as needed or appropriate. The Committee may ask members of management or others, including legal counsel, to attend meetings or to provide relevant information. A majority of the entire

Committee membership shall constitute a quorum, and all actions taken by the Committee shall require the affirmative vote of a majority of the membership of the Committee.

V. Authority and Responsibilities

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. Establish, review, and modify from time to time as appropriate the overall compensation philosophy of the Company.
2. Review, evaluate and recommend Company objectives relevant to the Chief Executive Officer's ("CEO") compensation; evaluate CEO performance relative to established goals; and review, evaluate and establish CEO compensation (or recommend the CEO's compensation to the full Board of Directors for determination); provided, that the CEO shall not be present during voting or deliberations by the Committee or the Board of Directors regarding the CEO's compensation.
3. Review, evaluate and recommend objectives relevant to the compensation of the Company's other executive management with the input of the CEO; and review such officers' performance in light of these goals and determine (or recommend to the full Board of Directors for determination) such officers' cash and equity compensation based on this evaluation; and review, evaluate and determine (or recommend to the Board of Directors) the compensation of such officers.
4. Review, evaluate and recommend succession planning and management development for executive officers, including the CEO.
5. Review, evaluate and determine, in consultation with the Nominating and Corporate Governance Committee, the compensation to be paid to directors of the Company and of affiliates of the Company for their service on the Board and any Committees.
6. Review, evaluate and recommend to the full Board, the terms of employment and severance agreements/arrangements for executive officers, including any change of control and indemnification provisions, as well as other compensatory arrangements for executive management.
7. Administer any stock benefit or equity incentive plans adopted by the Company.
8. To the extent required, prepare and publish an annual executive compensation report for inclusion in the Company's proxy statement.
9. In its sole discretion, retain, obtain the advice of or terminate any compensation or benefits consultant or legal counsel or other adviser used to assist the Committee in

fulfilling its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such consultant, legal counsel or other adviser retained by the compensation committee. The Company shall provide adequate resources to support the Committee's activities, including appropriate funding, as determined by the Committee, in its capacity as a committee of the Board of Directors, for payment of reasonable compensation to a compensation consultant, legal counsel or other adviser.

Prior to the selection of, or receiving advice from, a compensation consultant, legal counsel or other adviser, the Committee must consider the following factors, as well as any other factors identified by the stock exchange on which the Company's shares are listed:

- (i) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (ii) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (iii) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (iv) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (v) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (vi) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

On an annual basis, the Committee should send a written request asking its compensation consultants, legal counsel and other advisers to confirm in writing their independence under each of these six factors.

10. Report to the full Board of Directors any actions taken for ratification by the Board, as necessary.
11. Annually, perform a self-assessment relative to the Committee's purpose, duties and responsibilities set forth herein

12. Annually review and assess the adequacy of this Charter and recommend changes to the Board as needed.