

**ALERUS FINANCIAL
CORPORATION**

**RELATED PARTY
TRANSACTIONS POLICY**

Reviewed/Approved: May 21, 2025



PURPOSE

The Board of Directors (the “**Board**”) of Alerus Financial Corporation (the “**Company**”) has adopted this Related Party Transaction Policy (this “**Policy**”), as required by Item 404(b) of Regulation S-K of the Securities Act of 1933 (the “**Act**”), to govern the review, approval or ratification of Related Party Transactions.

DEFINITIONS

“**Related Party Transaction**” means any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness), or any series of similar transactions, arrangements or relationships since the beginning of the Company’s last fiscal year, or any currently proposed transaction, in which (a) the Company (or any of its subsidiaries) was or is to be a participant, (b) the amount involved exceeds \$120,000 and (c) any Related Person had or will have a direct or indirect material interest. This also includes any material amendment or modification to an existing Related Party Transaction.

“**Related Person**” means (i) any director or executive officer of the Company, (ii) any nominee for director, (iii) any shareholder beneficially owning more than five percent of any class of the Company’s voting securities or (iv) any Immediate Family Member of a director or executive officer of the Company or of any nominee for director.

“**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 of a person, and any person (other than a tenant or an employee) sharing the household of such person.

NOTIFICATION OF RELATED PARTY TRANSACTIONS

Prior to entering into a Related Party Transaction or promptly after the Related Person learns of a Related Party Transaction, each Related Person will promptly notify the Company’s Audit Committee (the “**Committee**”) of the Related Party Transaction (such notification, the “**Related Person Notice**”). The Related Person Notice will include the following information:

- the approximate dollar value of the transaction (in the case of indebtedness outside the ordinary course of the Company, the largest aggregate amount of principal outstanding during the period for which disclosure is provided, the amount thereof outstanding as of the latest practicable date, the amount of principal paid during the periods for which disclosure is provided, the amount of interest paid during the period for which disclosure is provided, and the rate or amount of interest payable on the indebtedness);
- the approximate dollar value of the Related Person’s interest in the transaction;
- the terms of such transaction;
- the Related Person’s interest in the transaction, including the Related Person’s position(s) or relationships with, or ownership in, the firm, corporation or other entity that is a party to or has an interest in the transaction;
- the purpose and timing of the transaction;
- whether the Company is a party to the transaction, and if not, the nature of the Company’s participation in the transaction;
- if the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis;
- information concerning potential counterparties in the transaction; and
- any other relevant information.



REVIEW, APPROVAL OR RATIFICATION OF RELATED PARTY TRANSACTIONS

The Committee will be responsible for reviewing each Related Party Transaction, and, if deemed appropriate, approving or ratifying the Related Party Transaction. In the event that a member of the Committee is not disinterested with respect to the Related Party Transaction under review, such member may not participate in any part of the review process for the transaction, including its potential approval or ratification. The Committee will review the following information when assessing a Related Party Transaction:

- the Related Person Notice;
- descriptions of any provisions or limitations imposed as a result of entering into the proposed transaction;
- whether the proposed transaction raises potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- any other relevant information regarding the transaction.

In determining whether or not to approve or ratify a Related Party Transaction, the Committee will take into account and evaluate the Related Party Transaction with the following factors, in addition to other factors it deems important:

- whether the Related Party Transaction is in the Company's best interests;
- whether the transaction's terms are no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- the results of an appraisal, if any;
- whether there was a bidding process, and if so, the results thereof;
- the valuation methodology used for the transaction and alternative approaches to valuation of the transaction; and
- the extent of the Related Person's interest in the transaction.

In the event that the Company becomes aware of a Related Party Transaction that was not approved under this Policy before it was entered into, such transaction will be reviewed as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy. The Committee will consider all of the relevant facts and circumstances (including the timing of any scheduled Committee meeting), evaluate all options available to the Company (including ratification, amendment or termination of such Related Party Transaction) and take such course of action as may be deemed appropriate under the circumstances.

The Company will disclose the following information regarding any Related Party Transaction, in each case to the extent required by the Act, the Exchange Act and the rules thereunder, including Item 404(a) of Regulation S-K of the Act:

- the name of the Related Person and the basis on which the person is a Related Person;
- the Related Person's interest in the transaction with the Company, including the Related Person's position(s) or relationship(s) with, or ownership in, a firm, corporation or other entity that is a party to, or has an interest in, the Related Party Transaction;
- the approximate dollar value of the amount involved in the Related Party Transaction (in the case of indebtedness, the amount involved in the Related Party Transaction will include the following information, for the period for which disclosure is provided: the largest aggregate amount of principal outstanding, the amount thereof outstanding as of the latest practicable date, the amount of principal paid, the amount of interest paid and the rate or amount of interest payable on the indebtedness);



- the approximate dollar value of the amount of the Related Person’s interest in the Related Party Transaction; and
- any other information regarding the Related Party Transaction or the Related Person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

EXEMPT TRANSACTIONS

Certain transactions are not subject to the notification, review and approval procedures set forth in this Policy, including:

- decisions on compensation or benefits relating to executive officers who are not Immediate Family Members of another Related Person if such decisions are reported pursuant to Item 402(k) of Regulation S-K of the Act and are otherwise approved, or recommended to the Board for approval, by the Committee or the compensation committee of the Board, and decisions on compensation or benefits relating to directors if such decisions are reported pursuant to Item 402(k) of Regulation S-K of the Act;
- indebtedness to the Company in the ordinary course of business, on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, not presenting more than the normal risk of collectability or other unfavorable features, complies with applicable law, including the Sarbanes-Oxley Act of 2002 (“**Sarbanes-Oxley**”), Regulation O of the Board of Governors of the Federal Reserve (“**Regulation O**”) and the Federal Deposit Insurance Corporation (the “**FDIC**”) Guidelines;
- all business relationships, lending relationships, deposit and other banking relationships between the Company and a Related Person’s primary business affiliation or the primary business affiliation of an Immediate Family Member of a Related Person that is made in the ordinary course of business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans with persons not related to the Company, not presenting more than the normal risk of collectability or other unfavorable features, complies with applicable law, including Sarbanes-Oxley, Regulation O and the FDIC Guidelines;
- any transaction where the Related Person’s interest arises solely from the Related Person’s position as a director of another corporation or organization that is a party to the transaction;
- any transaction where the Related Person’s interest arises solely from the ownership by such person and all other Related Persons, in the aggregate, of less than a ten percent equity interest in another person (other than a partnership) which is a party to the transaction; and
- any transaction where the Related Person’s interest arises solely from the ownership of the Company’s common stock and all holders of the Company’s common stock received the same benefit on a pro rata basis (e.g., dividends).

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Annually, the Committee will review all transactions that occurred during the Company’s last fiscal year in which the Company was a participant and in which a Related Party had or will have a direct or indirect material interest, and from those transactions, the Committee will identify any Related Party Transaction that was not, but should have been, reported under the rules provided by the Securities and Exchange Commission (the “**SEC**”). Furthermore, in the event that the Company



otherwise becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the Committee will promptly review the matter. For any Related Party Transaction that was not approved under this Policy but is brought to the Committee's attention belatedly, the Committee will consider all of the relevant facts and circumstances regarding the Related Party Transaction and will evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee also will examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and will take any action it deems appropriate based on its findings.

AMENDMENTS

This Policy may be amended at any time and is subject to further guidance from the SEC and actions taken by the Board or the Committee.