



Board Audit Committee Charter

**Patriot Bancorp, Inc.
Patriot Bank, N.A.**

Purpose

The purpose of the Audit Committee is to provide oversight and act as a liaison to the Board of Directors of Patriot National Bancorp, Inc., and Patriot Bank, N.A. (together referred to as the “Company”). The Committee oversees all audit issues. The Committee engages the independent auditors, reviews the engagement and scope of work performed by the auditors, considers comments made by the independent financial auditors regarding internal accounting controls, and oversees the internal auditing function and the loan review function. The committee also reviews internal accounting procedures and controls with the Company’s senior management.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary. In addition, the evaluation of the Company’s financial statements by the Committee is not of the same scope as, and does not involve the extent of detail as, audits performed by the independent auditor, nor does the Committee’s evaluation substitute for the responsibilities of the Company’s management for preparing, or the independent auditor for auditing, the financial statements.

The internal audit function is referred to as the third line of defense, having a primary responsibility of providing independent assurance and challenge, the internal audit function assesses the effectiveness of the policies, processes, personnel, and control systems created in the first and second lines of defense.

Governance & Operating Responsibilities

- Provide oversight of internal and external audit activity
 - Review and establish a robust audit schedule commensurate with the risk profile of the Company.
 - Review the adequacy of the scope of internal and external audits to ensure that the Bank has comprehensive audit coverage to meet the risks and demands posed by its current and planned activities.
 - Ensure management establishes and maintains an adequate and effective internal control system and processes.
 - Review with management results of audit engagements as needed to ensure remediation is timely
 - Evaluate the activities, organizational structure and qualifications of the internal audit function.
 - Establish schedules and agendas for regular meetings with internal auditors, along with external auditors when providing oversight.

BOARD AUDIT COMMITTEE

- Carrying out the appointment, termination, compensation, and oversight of the independent public accountant (IPA) or external auditor.
 - Annually review the independent external auditors' proposed audit scope and approach.
 - Review the annual proposal and scope for the independent loan review .
 - Conduct a post audit review of the consolidated financial statements and audit findings.
 - Review and approve the independent auditors' fee arrangements.
 - Monitor, track, and hold management accountable for addressing deficiencies that auditors and regulators identify.
 - Maintain minutes and other relevant records of audit committee meetings and decisions.
 - Retain auditors who are fully qualified to perform the audit activities.
 - Review the workpapers of our internal auditors to ensure their reviews were conducted in accordance with the statement of their scope of work.
- Provide oversight of the bank's financial statements and public accountability reporting.
 - Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional pronouncements, and understand their impact on financial statements.
 - Review annual and interim financial statements and reports for completeness and accuracy.
 - Review other sections of financial reports and for accuracy and completeness before the information is released.
 - Understand management's strategies, assumptions, and estimates used in preparing financial statements, budgets, and plans.
 - Review interim financial reports before filing with regulators and ensure consistency with committee members' knowledge.
- Provide oversight of Bank assurance processes.
 - Establish and maintain procedures (also known as whistle-blower procedures) for submission of confidential and anonymous concerns.
 - Meet with examiners at least once each supervisory cycle to discuss findings of regulatory reviews, including conclusions regarding audit.
 - If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
 - Provide oversight of Affiliate contracts and transactions.
- Report on Audit Committee performance.
 - Regularly evaluate the performance of the Audit Committee and its individual members.
 - Report to the board annually on the performance of the Audit committee, including an overall assessment of management's risk, control, and compliance processes.
 - Report to board at any time regarding any issue the committee deems of sufficient importance.
 - Attest that the program is independent to the Board. The Chief Risk Officer, named as responsible for the program has a direct report into the

BOARD AUDIT COMMITTEE

Audit/Board.

- Demonstrate that all reports are in writing. The Audit Committee shall ensure that prompt actions are undertaken to remedy deficiencies cited, and that the written record describes actions.
- Perform other oversight functions as requested by the Board.

Committee Membership

Membership on the Audit Committee will be in accordance with NASDAQ's independent directors and audit committee standards. There will be a minimum of three independent directors, including the Chairperson. A member shall be considered "independent" and qualified for membership so long as he or she does not accept any consulting, advisory, or other compensatory fee from the Company, is not an affiliated person of the Company or its subsidiaries, and meets the independence requirements of the law, SEC regulations and the NASDAQ Global Market listing standards. All Committee members shall be financially literate and at least one member shall be an "audit committee financial expert" as defined by SEC regulations.

The Audit Committee is made up of outside directors, the majority of whom are independent of management. The Committee is chaired by the Lead Independent Director (LID) as designated by the Board. The members of the Committee shall be appointed by the Board and the Committee reports to the Board. Committee members will maintain lines of communication with management, the independent auditors the internal auditor(s) (including private meetings), the Chief Risk Officer and the Chief Executive Officer.

The Chief Risk Officer is named Audit Coordinator and reports to the Chairperson of the Audit Committee. The Audit Coordinator assists the Chair of the Audit Committee in managing the Third-Party relationships who provide internal audit, compliance monitoring, and loan review functions. The Audit Coordinator should attend all audit committee meetings.

It is important that the Audit Committee have contact with the Third-Party relationships supplying internal audit functions. These Third-Party relationships report to the Audit Committee.

Meetings

A majority of the Committee shall constitute a quorum. Generally, the Committee will meet at least quarterly and will submit a report of their meeting at the next scheduled Board of Directors meeting. These meetings should include management, the internal auditors, the Chief Risk Officer, independent external auditors (when deemed appropriate) and others, as necessary.

In addition to the regularly scheduled Audit Committee meetings, the Committee is expected to maintain direct lines of communication with management, the independent external auditors, the internal auditor(s), the Chief Risk Officer, and Chief Executive

Officer.

Minutes of the audit committee meeting should reflect decisions regarding internal and external audit activities and other audits and the types of audits to be performed. The meeting minutes should contain results of and basis for the boards/audit committee determinations.

Monitoring/Verification Plan

The Audit Committee will monitor

- The financial reporting process and the Bank's establishment of accounting policies and practices, including significant qualitative aspects of the bank's accounting practices, including accounting estimates, CECL methodology, financial reporting judgements, and financial disclosures.
- Establish and maintain Whistleblower procedures for employees to submit confidential and anonymous concerns.
- Monitor, track and hold management accountable for addressing deficiencies that auditors and regulators identify.

The Audit Coordinator along with the Audit Committee reviews and approves annual risk assessment and work plans for the internal audit (except for audits of compliance, which are approved by the Audit Committee Chairman), compliance monitoring and loan review processes; ensures that each of the Third Party relationships reports to the Audit Committee quarterly on the status of each program; conducts Risk Committee meetings; administers the compliance training program; administers the Affiliate Governance oversight process; ensures that management resolves action items and the Third Party relationships are provided with adequate documentation of the resolutions; conducts an annual work paper review of Internal Audit providing individual reports and summary to the Audit Committee and prepares for and records the minutes of the Audit Committees meetings.

Specific monitoring activities should include, but not be limited to:

- The scope of the internal audit department's activities, their annual internal audit plan and follow-up on any completed internal audit reports.
- Plans for addressing possible conflict of interest situations.
- Any material litigation and matters that have an impact on the financial statements.

Before the commencement of the annual audit, the committee should meet with the external auditors and management to review:

- The audit approach and scope of examinations.
- Any significant planned changes in the Company's accounting principles, policies and practices.
- Recent developments in accounting principles, reporting practices, and regulatory

BOARD AUDIT COMMITTEE

- policies that may have a significant effect on the Company's financial statements.
- Special areas needing attention.

As soon as possible after the annual audit, the committee should meet with the independent auditors and management and review:

- The consolidated financial statements to be included in the annual report and in other publicly filed documents.
- The external auditors' findings, including significant resolved or unresolved problems and any written response by management to these comments.
- The external auditors' comments on internal controls, as well as management's response to these comments.
- The financial reporting process, including interim financial reporting.

Annually, the Committee has the responsibility to assess the external auditors and determine to retain and/or terminate (subject, if applicable, to shareholder ratification). The Committee shall have the sole authority to approve and/or pre-approve all audit engagement fees and terms, as well as all significant non-audit engagements with the independent auditor.

At least annually, the Committee shall obtain and review a report by the external auditors describing:

- The accounting firm's internal quality control procedures.
- Any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues.
- All relationships between the independent auditor and the Company (to assess the auditor's independence).

The Committee, or designated Audit Committee member, shall review, prior to the release or filing thereof, any document containing the Company's financial statements, including the interim financial reports and filings with the SEC or other regulators.

Internal Audit Monitoring

Internal auditors are pivotal in the financial reporting process, requiring robust support from both management and the Board of Directors, facilitated through the Audit Committee.

Key activities include:

- Ensuring compliance with Company policies and procedures at all levels.
- Evaluating operational effectiveness of the internal control systems, including controls over computerized systems.
- Assessing management's responses to internal control deficiencies.
- Recommending operational enhancements to potentially increase profitability.
- Conducting special reviews as requested by the Board of Directors.
- Collaborating closely with independent auditors.
- Third-party providers handling internal audit will attend quarterly Audit Committee

BOARD AUDIT COMMITTEE

meetings.

- Approving the internal audit plan, including its activities and a list of projects planned.
- Reviewing quarterly reports on the internal audit activities, detailing completed projects, ongoing work, and significant findings.
- Monitoring management’s corrective actions in response to internal audit recommendations.
- Reviewing proposed changes in the internal audit function.
- Conducting objective, independent reviews and evaluations of bank activities, internal controls, and management information systems (MIS).

Board Package/Submissions

The Audit Committee Package, inclusive of audit reports, audit items, loan review reports, and any audit plan updates are reported in the board package by the Audit Chairperson. This package includes compliance and regulatory updates and meeting minutes.

Training

All Audit Committee members are required to complete annual training which may include topics related to Cybersecurity, BSA/AML/OFAC, Conflict of Interest, compliance, security, and information technology courses, as deemed appropriate.

Third Party Oversight

The Audit Committee provides recommendations based upon management due diligence to the Board regarding contracting and terminating external and internal audit vendors. All vendor oversight will be in compliance with the Bank Third Party Risk Management policy and procedures.

Revision History

<u>Date</u>	<u>Revision/Approval</u>
November 8, 2016	Policy Approved
September 19, 2017	Policy Approved
October 24, 2018	Policy Approved
July 26, 2019	Charter Approved w/ COP
June 24, 2020	Charter Annual Approval w/COP
June 23, 2021	Charter Annual Approval w/COP
June 22, 2022	Charter Annual Approval Removal /COP
July 26, 2023	Charter Revision and Approval
06/26/2025	Annual Review- Board Approved