



AUBURN NATIONAL BANCORPORATION, INC.  
and its Subsidiaries

**CHARTER OF THE AUDIT COMMITTEE**

**Prepared and Presented By:**

Terry Andrus

**Director(s) Responsible for Implementation of Charter:**  
The Audit Committee Members

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Adopted by the Board of Directors: March 17, 2026

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**AUBURN NATIONAL BANCORPORATION, INC.  
and its Subsidiaries**

**CHARTER OF THE AUDIT COMMITTEE  
OF THE  
BOARD OF DIRECTORS**

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**Title**

This Committee shall be named the “Audit Committee” (the “Committee”) of the Board of Directors (the “Board”) of Auburn National Bancorporation, Inc. and AuburnBank (the “Company”) and their respective subsidiaries.

**Composition**

The Committee shall be composed of a minimum of three directors, all of whom shall be independent. The independence and other qualifications of the members of the Committee shall at all times satisfy the requirements of: (i) the Financial Industry Regulatory Authority (“FINRA”) (ii) the Nasdaq Stock Market, Inc. (“Nasdaq”), including Nasdaq Governance Rule 5605 except as otherwise properly permitted by the cure periods provided by and in accordance with the Nasdaq Governance Rules; (ii) the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission (the “Commission”) thereunder (collectively, the “Exchange Act”) and; (iii) the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) and the rules and regulations of the Commission thereunder; and (iv) the Federal Deposit Insurance Act, as amended (the “FDI Act”), and the rules, regulations and guidelines of the Federal Deposit Insurance Corporation (the “FDIC”), including FDIC Regulations Part 363 thereunder

Any references to laws, regulations, stock exchange or regulatory, or self-regulatory or professional requirements or standards shall mean such provisions as in effect on the date this Charter was last reviewed, as modified herein, and any successor, replacement provisions and additional applicable provisions. Any references herein to a government, self-regulatory or professional agency, or authority shall mean any successor or replacement agency or authority.

All members of the Committee must have an understanding of generally accepted accounting principles (“GAAP”) and the ability to read and understand fundamental financial statements, including the Company’s financial statements. All members of the Committee shall participate in and satisfy any continuing education or other requirements or programs that may be required by the Commission, Nasdaq or the FDIC. At least one member of the Committee shall be an “audit committee financial expert,” as defined by Commission Regulation S-K Item 407(h) (a “Financial Expert”), and shall otherwise meet any requirements under the Nasdaq rules and FDIC Regulation §363.5, respectively.

No member of the Committee shall simultaneously serve on the audit committees of more than two other public reporting companies, unless the Board determines that such simultaneous service on such other audit committees does not impair the ability of such member to effectively serve on the Committee. No member of the Committee shall have participated in the preparation

of the financial statements of the Company or any current subsidiary of the Company at any time during the three years prior to such member's appointment to the Committee. Each member of the Committee shall receive compensation from the Company that is not prohibited by Exchange Act, Section 10A or Commission rules thereunder, the Nasdaq governance rules and the applicable FDIC rules.

### **Reporting Structure**

The registered public accounting firm shall report directly to the Committee and shall be ultimately accountable to the Committee. Such firm shall meet all independence and other requirements of the FDIC and the Commission, including FDIC Regulations Part 363 and Rule 2-01 of the Commission's Regulation S-X, the Alabama Banking Code Section 5-2A-22, Alabama Superintendent of Banks (the "Superintendent") Regulation No. 18, and any Nasdaq listing and corporate governance rules that may be applicable to the Company.

The Committee shall, in turn, regularly report to the Board, as frequently as may be required or prudent under the Duties and Responsibilities set forth below.

### **Purpose**

The Committee is responsible for overseeing the accounting and financial reporting processes of the Company and the audits of the Company's financial statements on behalf of the Board. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the Company's accounting and reporting policies. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's interim financial statements.

The Committee shall perform the functions of an audit committee for AuburnBank and any other of the Company's direct and indirect subsidiaries ("Subsidiaries"), which, in the case of AuburnBank, shall include any audit committee functions required pursuant to Sections 36 of the FDI Act and FDIC Regulations Part 363), and Superintendent Regulation No. 18.

### **Duties and Responsibilities**

The Committee shall observe and perform the following duties and responsibilities:

1. The Committee shall be directly responsible for the appointment, compensation, retention, oversight and termination of the work of any registered public accounting firm engaged (including resolution of any disagreements between management and such accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee.
2. At least annually, obtain and review a report by the registered public accounting firm describing: (i) the registered public accounting firm's qualifications, independence and internal quality-control procedures, including the factors listed in Commission Reg. S-X Item 2-01 and the requirements of FDIC Regulations Part

363 Alabama Banking Code Section 5-2A-22, Alabama Superintendent of Banks (the “Superintendent”) Regulation No. 18, and any Nasdaq listing and corporate governance rules that may be applicable to the Company; (ii) any material issues raised by the most recent internal quality-control review, or peer or Public Company Accounting Oversight Board (“PCAOB”) review, of the registered public accounting 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 registered public accounting firm, and any steps taken to deal with any such issues; and (iii) all relationships between the registered public accounting firm and the Company and its subsidiaries.

3. Not approve the engagement of the registered public accounting firm for the following services while such registered public accounting firm is engaged to perform audit services: (i) bookkeeping or other services related to the accounting records or financial statements of the audit client; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources functions; (vii) broker or dealer, investment adviser, or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service that the PCAOB determines, by regulation, is impermissible.
4. Meet with the registered public accounting firm at least annually to review the scope of the audit for the current year and the audit procedures to be utilized. This review will include the potential effects of business and financial statement risks on the company’s control systems and quality of financial reporting, and a discussion of the extent to which the financial statements contain all disclosures that could reasonably be deemed “material” within the meaning of applicable requirements. At the conclusion of this meeting, the Committee shall review any comments or recommendations made by the registered public accounting firm.
5. Approve, in advance, all auditing services and permitted non-audit services, as set forth in Section 10A(i) of the Exchange Act, (including the fees and terms of such services) to be performed for the Company by its registered public accounting firm. The pre-approval requirement may be waived and approved after the fact upon the terms and conditions of Exchange Act Section 10A(i)(1)(B). The Committee shall adopt an “ Audit Committee Pre-Approval Policy.”
6. At least annually, review and evaluate the qualifications, independence and performance of the registered public accounting firm, and present its conclusions to the Board in advance of the Company’s annual meeting of shareholders.
7. Provide appropriate disclosure in the Company’s periodic reports of (i) the approval of any non-audit services by the Committee pursuant to Section 10A(i)(2) of the Exchange Act and (ii) the payment of fees to the registered public accounting firm and pre-approval of services as required by Item 9 of Commission Schedule 14A, and (iii) and determine whether the registered public accounting firm has a branch

or office in a foreign jurisdiction that requires disclosure in the Company's annual on Commission Form 10-K, Item 9C or otherwise.

8. Review and discuss with management and the registered public accounting firm the Company's annual audited financial statements prior to the filing with the Commission of the Company's Form 10-K and/or the distribution of the Company's Annual Report to Shareholders and the Company's quarterly reports on Form 10-Q prior to filing with the Commission, including, without limitation, the disclosures made in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and make recommendations to the Board that the Company's audited and unaudited financial statements be included in the Company's 10-K, 10-Qs and other reports to the Commission and that such reports be filed with the Commission.
9. Review and discuss with management and the registered public accounting firm, significant financial reporting issues and judgments made in connection with the preparation and presentation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls or any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any special steps adopted in light of any such material control deficiencies.
10. Review and discuss reports from the registered public accounting firm within 90 days prior to the filing of any audit report with the Commission, as required by Commission Reg. S-X Item 2-07, including: (i) all critical audit matters and critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm; and (iii) other material written communications between the registered public accounting firm and management, such as any management letter or schedule of unadjusted differences.
11. Discuss with management, the Company's earnings press releases, including the use of "pro forma," "adjusted" and non-GAAP information, as well as financial information and earnings guidance provided to the public, analysts and rating agencies. This discussion may be general (addressing the types of information to be disclosed and the types of presentations to be made), including reconciliations of GAAP and non-GAAP information.
12. Discuss with management and the registered public accounting firm the effects of regulatory and accounting initiatives, any off-balance sheet structures on the Company's financial statements, any correspondence with the Company's regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements, accounting policies or compliance by the Company with laws and regulations.

13. Work with management, the Board and/or any Company disclosure committee, as appropriate, to provide that any off-balance sheet transactions or non-GAAP financial information, if any, and the financial statements generally, are accompanied by disclosure that provides investors with a meaningful understanding of the Company's financial position and the effects of such transactions, as required by Commission Regulation S-K Item 303 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and Regulation G (non-GAAP disclosures), respectively.
14. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
15. Discuss with the registered public accounting firm and management the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees, relating to the conduct of the audit, including any difficulties or problems encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management, as well as management's responses to such situations.
16. Ensure the rotation of each audit engagement team partner, principal or shareholder at least once every five years pursuant to Exchange Act Section 10A(j), or as otherwise required by law, regulation, or governmental, regulatory, self-regulatory or professional authority, including the PCAOB and the Commission. The Committee shall consider whether; in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the registered public accounting firm itself on a regular basis.
17. Establish and recommend to the Board, policies for the Company's hiring of employees or former employees of the registered public accounting firm who participated in any capacity in any audit of the Company and their respective family members and affiliates. Such policies shall include a prohibition on hiring any such employee of the registered public accounting firm to serve as the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, controller or any equivalent position with the Company.
18. Obtain the registered public accounting firm's assurance that, in the course of conducting an audit of the Company, it has not detected or become aware of any illegal acts (whether or not perceived to have a material effect on the Company's financial statements); and in the event it does detect that any such illegal act has or may have occurred, the registered public accounting firm will inform the Audit Committee and Company management and take such other applicable actions required by Exchange Act Section 10A(b).
19. Review and approve all related-party transactions, and review the Company's compliance with applicable banking, corporate and securities laws, including, without limitation, those laws and regulations concerning loans and extensions of

credit to insiders, laws and regulations concerning dividend restrictions, and the disclosure of related party transactions in the Company's financial statements and Commission reports.

20. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, (iii) and the protection of any such employee from retaliatory action.
21. Ensure receipt of the written independence disclosures as may be required by the PCAOB's applicable requirements, and engage in a dialogue with the registered public accounting firm concerning whether the Company's relationship with the registered public accounting firm, including, without limitation, the provision of permitted non-audit services, is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors.
22. Review the disclosures required by Commission Schedule 14A, Item 9 *Independent Public Accountants* for inclusion in the Company's annual proxy statement.
23. Make determinations regarding the amount and nature of any proposed accounting restatement, and cooperate and work with the Company's Compensation Committee with respect to maintaining as current, a written erroneously awarded executive compensation recovery policy, any disclosures under Commission Regulation S-K, Item 402, and, in the event of a restatement, recover excess compensation previously awarded in accordance the Company's erroneously awarded executive compensation recovery policy with Commission Rule 10D-1 and Nasdaq Listing Rule 5608, and otherwise comply with Commission, Nasdaq and banking law requirements.
23. The Committee shall engage in such review and discussion as it deems appropriate regarding the activities of the Company's Internal Audit Department and the Compliance Department, or such persons responsible for internal auditing and compliance, bank regulatory examination reports and/or other regulatory reports and filings, the Company's Code of Conduct and Ethics, and other legal, regulatory or other matters. The Committee shall assist in the development, approval and monitoring of the internal audit functions of the Company and its Subsidiaries.
24. Make regular reports to the Board or as requested by the Board, the Chairman, the President or the Presiding Independent Director.

#### **Grant of Authority; Limitation of Audit Committee's Role**

The Committee shall have the sole authority to: (1) appoint, retain, compensate, evaluate and terminate the Company's registered public accounting firm; and (2) adopt an Audit Committee Pre-Approval Policy applicable to audit and non-audit services with the registered public accounting firm and the related fees and terms. The Committee shall have the authority to

investigate any financial matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and shall have the authority to retain, at the Company's expense, outside legal, accounting or other professional advisors to advise the Committee. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the registered public accounting firm for the audit report and other services, to pay the ordinary administrative expenses of the Committee in carrying out its duties and to retain and compensate any outside legal, accounting or other professional advisors employed by the Committee.

The Committee's function is one of oversight and review, and it is not required to prepare or audit the financial statements, define the scope of the audit, control the Company's and its Subsidiaries' accounting policies and practices, or define the standards used in preparing the financial statements, except as required in connection with the duties and responsibilities set forth under this Charter. This Charter is not intended to, and shall not, alter the standards of conduct set forth in the Delaware General Corporation Law, as amended (the "DGCL"), the Alabama Business Corporation Law, as amended (the "Alabama Corporation Law"), and the Alabama Banking Code for directors, including those directors who serve as Committee members. Members of the Committee shall have the duties and the benefits of all limitations and protections from liabilities provided by the DGCL, the Alabama Corporation Law and the Alabama Banking Code and other applicable laws and regulations with respect to their service on the Committee. In addition to the indemnification, exculpation, and similar provisions contained in the Company's or the Bank's certificate or articles of incorporation and bylaws or in statutory and common law and in addition to applicable insurance, each member of the Committee shall, in the performance of such member's duties, be fully protected in relying on information, opinions, reports or statements prepared or presented by any of the Company's officers or employees, or committees of the Board or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence, all to the full extent permitted by Section 141(e) of the DGCL and Section 10A-2-8.30 of the Alabama Business Corporation Law. Further, nothing herein is intended to or shall limit the responsibilities, duties and liabilities of the registered public accounting firm to the Company, the Board or the Committee.

### **Meetings, Structure and Processes**

The Committee shall meet on an as needed basis, but not less frequently than quarterly. Meetings shall be called as needed to discuss any significant issues, including those related to the review of any Company Form 10-Q or Form 10-K by the Company's registered public accounting firm, and earnings releases, the necessity of filing any Form 8-K Current Report and the disclosure of information in Company proxy statements. In addition, the Committee shall periodically meet separately with Company management, the Company's internal auditors (or other personnel responsible for the internal audit function) and with the Company's registered public accounting firm. The Committee shall hold a private session at least quarterly with the Company's registered public accounting firm without management present.

The Board shall appoint the members of the Committee, who shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Board shall appoint a

member of the Committee with appropriate accounting or financial management experience to serve as the Committee's Chairperson. If a Committee Chairperson is not designated or present at a meeting, the members of the Committee may designate a chairperson by majority vote of the Committee membership, *provided that* in all cases, the person serving as Chairperson must have significant accounting or financial management experience. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate and permissible under Nasdaq rules and other applicable law and regulation, including the authority to grant approvals of audit and permitted non-audit services, *provided that* the decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee Chairperson may request any officer or employee of the Company or the registered public accounting firm or outside counsel to attend a committee meeting or to meet with any members of or consultants to the Committee. It is intended that any management representative present at a meeting of the Committee withdraw for a period at the end of such meeting so as to permit discussion in private with the registered public accounting firm and among Committee members, generally.

Management shall prepare annually, for review and approval by the Committee, detailed procedures and processes for carrying out the Committee's duties and responsibilities. The Committee shall discuss such procedures and processes with management to provide, to the extent appropriate, that management and the Committee have a clear understanding thereof.

The Committee shall maintain, as part of the Company's permanent records, written minutes of the proceedings and actions of the Committee and shall make such reports to the Board as may be requested by the Board or the Chairperson thereof.

A majority of the members of the Committee present in person or by telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

### **Review and Approval of Charter**

The Committee shall, at least annually, review and assess this Charter and recommend such changes as the Committee deems appropriate. The Board shall consider and approve any proposed changes to this Charter.