



CHARTER OF THE AUDIT COMMITTEE

**APPROVED BY THE BOARD OF DIRECTORS OF
HARFORD BANK ON MARCH 19, 2026**

Purpose

The Audit Committee is appointed by the Board of Directors (the Board) to assist the Board in fulfilling its oversight responsibilities for: 1) the integrity of the Bank's financial statements and reporting process; 2) the Bank's compliance with legal and regulatory requirements; 3) the independent auditor's qualifications and independence; 4) the performance of the Bank's internal audit and compliance function; and 5) the performance of the Bank's independent auditor. In doing so, it is the responsibility of the Audit Committee to maintain free and open means of communication between the Directors, the independent auditors, the Internal Auditor, and the financial and senior management of the Bank.

Membership

The Audit Committee will consist of at least three (3) external members of the Board of Directors. The Board of Directors appoints committee members and the Committee Chair for a one (1) year term at the conclusion of the Annual Meeting. All members of the Audit Committee must be independent of the management of the Bank and free of any relationship that, in the judgment of the Board, would interfere with their exercise of independent judgment as Audit Committee members.

All members of the Audit Committee must be financially literate at the time of their appointment. Financial literacy will be determined by the Board in the exercise of its business judgment and will include a working familiarity with basic finance and accounting practices and the ability to read and understand fundamental financial statements, including a balance sheet, cash flow statement, and income statement. At least one member will be designated as the "financial expert," as defined in item 401 of Regulation S-K and as determined by the Board.

The responsibilities of a member of the Audit Committee are in addition to responsibilities as a member of the Board. Each Board member serving on the Audit Committee will be compensated separately for service on the Audit Committee, excluding employees of the Bank.

Authority and Responsibilities

The Audit Committee has the following authority and responsibilities.

Independent Auditors

- Authority to appoint, retain, compensate, and oversee the Bank's Independent Auditor, including resolution of disagreements between management and the Independent Auditor regarding financial reporting, and terminate the Independent Auditor. The Independent Auditor reports directly to the Audit Committee. The Audit Committee may not delegate this authority to management.

- Responsible for reviewing the scope of the audit and approval of the fees to be paid to the Independent Auditor.
- Responsible for affirming the independence of the Independent Auditor.
- Responsible for establishing and implementing a policy regarding the Bank's hiring of current or former employees of the Independent Auditor.
- Responsible for reviewing the qualifications and experience of the Independent Auditor.
- Responsible for ensuring the Independent Auditor provides the Audit Committee with timely reports of: 1) all critical accounting policies and practices; 2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, effects of using such alternatives and the treatment preferred by the independent auditing firm; 3) written communications between the Independent Auditor and management; 4) other matters required pursuant to applicable standards and/or as requested by the Audit Committee.
- Responsible for reviewing the Independent Auditor's reports on the adequacy of the Bank's internal controls, including computerized information system controls and security.
- Responsible for reviewing outstanding findings and management responses from audits and examinations performed by the Independent Auditor and federal and state regulators. Ensure the Internal Audit Manager tracks all findings, assigns a responsible person, and a timeline to remediate each finding and provides an ongoing report to the Audit Committee.
- Responsible for obtaining and reviewing annually a report from the Independent Auditor describing: 1) the auditing firm's internal quality control procedures; 2) any material issues raised by its most recent quality control review or investigation within the preceding five (5) years and steps taken to resolve those issues; and 3) all relationships between the Independent Auditor and the Bank.
- Responsible for approving any permissible non-audit services of the Independent Auditor. Services that may not be performed contemporaneously with the audit are: 1) bookkeeping or other services related to the accounting records or financial statements of the Bank; 2) financial information systems design and implementation; 3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; 4) actuarial services; 5) internal audit outsourcing services; 6) management functions or human resources; 7) broker-dealer, investment services, or investment banking services; 8) legal services; 9) expert services unrelated to the audit; and 10) any other service that the SEC or Public Company Accounting Oversight Board determines is impermissible.

Internal Audit Function Authority to appoint, replace, reassign, or dismiss the Bank's independent third-party Internal Audit firm and Internal Audit Manager.

- Responsible for assessing the effectiveness and performance of the independent third-party Internal Audit firm and Internal Audit Manager.
- Responsible for ensuring that independent third-party Internal Audit firm is competent and objective.
- Responsible for reviewing the Bank's risk assessment process.
- Responsible for reviewing the Bank's internal control structure and procedures for financial reporting and disclosure.
- Responsible for reviewing the results of internal audits, recommendations, reports of variance from the Bank's internal controls, and reports of the Internal Auditor.
- Responsible for reviewing any significant findings by the independent third-party Internal Audit firm or Internal Audit Manager and management's responses to them.
- Responsible for reviewing significant difficulties encountered during the course of the internal audits, including any restrictions on the scope of work or access to required information.
- Responsible for reviewing and approving changes required in the planned scope of the internal audit plan.
- Responsible for ensuring compliance with the American Institute of Certified Public Accountants' Statements on Standards for Consulting Services Risk
- Responsible for reviewing and discussing with management the policies and guidelines for risk assessment and management.
- Responsible for reviewing significant risk exposures periodically with management, the independent auditor and Compliance Officer..
- Responsible for reviewing the processes and procedure that management, the Compliance Officer, and Internal Audit firm take to identify, monitor, control, and report risk exposures.

Responsibilities of the Audit Committee

- Authority to conduct or authorize investigation into any matters within its scope of responsibilities.
- Authority to take action permitted by applicable laws, rules, and regulations necessary to

accomplish any action authorized by this charter.

- Responsible for reviewing all Bank financial information provided to shareholders including internally prepared financial statements and related footnotes.
- Responsible for reviewing the system of internal controls and variance from these controls.
- Responsible for reviewing all audit processes and results.
- Responsible for reviewing the Banks' accounting, reporting, and financial processes and procedures.
- Responsible for attending meetings requested by the Bank's CFO, the independent auditor, the Internal Audit Firm , or the Compliance Officer.
- Responsible for meeting with the CFO at least quarterly to review the accounts of the Bank and approve the filing of Form 10-Q.
- Responsible for reviewing and approving the audited financial statements prior to their being included in Form 10-K of the Annual Report.
- Responsible for ensuring the Internal Audit Manager and Compliance Officer, as designated by the Board, have sufficient authority and the degree of independence to exercise their authority including full unrestricted access to all areas, books, records, properties, securities, and accounting procedures relating to the Bank's activities as deemed appropriate to carry out their responsibilities.
- Responsible for providing a report of the Audit Committee that contains certain required disclosures in the Bank's Annual Proxy.
- Responsible for establishing procedures whereby employees can confidentially and anonymously submit to the Audit Committee Chair concerns or issues regarding the Bank's accounting or auditing matters in accordance with the Bank's **Whistle Blower Policy**.
- Responsible for reviewing with management the Bank's policies to encourage the reporting of potential illegal acts and questionable accounting or auditing matters.
- Responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting or auditing matters, including their controls.
- Responsible for reviewing management's recommendations to the Board for changes in policies, processes, or procedures required to respond to changes in laws or regulations.
- Responsible for identifying emerging issues with which the Audit Committee should become involved in the future.

- Responsible for assessing difficulties encountered during the course of compliance reviews, including any restrictions on the scope of work or access to required information, and how to mitigate such difficulties.
- Responsible for identifying and approving changes required in the scope of the audit plan.
- Responsible for reviewing this charter annually and recommending any proposed changes to the Board for approval.
- Responsible for conducting a self evaluation of the performance of the Audit Committee and its members and reporting to the Board
- The Audit Committee shall perform such other functions as are required by law, the Bank's Articles of Incorporation and Bylaws, or the Board. However, while the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Bank's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

Meetings

The Audit Committee Chair presides over Audit Committee meetings and reviews the agendas. This committee meets as often as deemed necessary to meet its responsibilities, but no less than six (6) times per calendar year. A majority of the Committee shall constitute a quorum. All committee members are expected to attend each meeting, in person or via telephone-conference, or provide advance notice to the Chair if unable to attend. Attendance may be in person, electronically or by telephone at the discretion of the Chair of the Audit Committee, provided all members can hear one another.

The Audit Committee may ask members of management or others to attend a meeting and may attend portions of meetings with independent accountants and the outsourced Internal Auditor. Additionally, each regularly scheduled meeting will have an executive session of the Audit Committee with the Compliance Officer and ERM Officer and conclude with an executive session of audit committee members only. The Executive Secretary shall be present during meetings. As part of its responsibility to foster open communication, the Committee will also meet periodically with the independent auditor(s) in separate executive sessions.

Meeting minutes from each meeting will be documented and provided to the Board at the next scheduled meeting to ensure the Board is apprised of the quality of the Bank's financial statements, compliance with legal or regulatory requirements, the performance and independence of the

independent auditors, the performance of the internal audit, and compliance functions or other matters related to the Committee's functions and responsibilities.