

FIRST US BANCSHARES, INC.

AUDIT COMMITTEE CHARTER

POLICY SUBMITTED BY: Audit Committee

INITIAL APPROVAL BY BOARD: February 19, 2004

**LAST APPROVAL BY AUDIT COMMITTEE:
November 9, 2022**

**LAST APPROVAL BY BOARD:
November 16, 2022**

**CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
FIRST US BANCSHARES, INC.**

I. Purpose

A. The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of First US Bancshares, Inc. (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reports and other financial information provided by the Company to its shareholders and others; the Company’s system of internal controls; and the Company’s auditing, accounting and financial reporting processes.

B. In carrying out this function, the Committee shall serve as an independent and objective party to oversee the integrity of the Company’s financial statements, accounting and financial reporting processes, financial statement audits internal control, and risk management system; review and evaluate the qualifications and independence of the Company’s independent auditor; approve all audit and permissible non-audit services provided by the Company’s independent auditor; review and evaluate the audit and permissible non-audit efforts of the Company’s independent auditor, Chief Risk Officer and the Chief Internal Auditor; oversee the Company’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company; and facilitate open communication among the independent auditor, financial and senior management, legal counsel, the Chief Risk Officer, the Chief Internal Auditor, and the Board.

II. Membership

The Committee shall be comprised of not less than three (3) directors, each of whom shall be independent as determined in accordance with applicable law, including Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the rules promulgated by the Securities and Exchange Commission (the “SEC”) and the listing rules of the Nasdaq Stock Market (“NASDAQ”), as amended and in effect from time to time. All members of the Committee shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement, and meet such other standards required by applicable law (including SEC and NASDAQ rules). At least one member of the Committee shall be an “audit committee financial expert” as defined by SEC rules. The Committee members and its Chairperson and Vice-chairperson, if any, shall be appointed annually by a majority of the Board. Committee members may be removed by majority vote of the Board, and vacancies will be filled by majority vote of the Board.

III. Duties and Responsibilities

A. The Committee’s job is one of oversight and it recognizes (i) that the Company’s management is responsible for preparing the Company’s financial statements and (ii) that the independent auditor is responsible for auditing those financial statements. Additionally, the Committee recognizes that financial management, including the Chief Risk Officer, Chief

Internal Auditor, the internal audit staff, as well as the independent auditor, have more time, knowledge and more detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work.

B. The following functions shall be the common recurring activities of the Committee in carrying out its oversight function:

With respect to the independent auditor

1. Be directly responsible for the appointment, compensation and oversight of the work of the independent auditor employed by the Company (including discussion and resolution of disagreements between management and the auditor regarding financial reporting) to audit the financial statements of the Company and its divisions and subsidiaries. The independent auditor so selected shall be a registered public accounting firm as required by the Exchange Act.
2. Review the scope and plan of the work to be done by the independent auditor for each year and review the performance of the independent auditor on at least an annual basis. The Committee must establish with the independent auditor an understanding about the terms of the auditor's engagement, including the audit objective and the auditor's and management's responsibilities, which understanding must be recorded in an engagement letter.
3. Preapprove, consistent with the requirements of Section 10A of the Exchange Act, all auditing services and non-audit services provided to the Company by its independent auditor. The Committee may delegate to one or more designated members of the Committee the authority to grant the required preapprovals, provided that the decisions of any member(s) to whom such authority is delegated to preapprove an activity shall be presented to the full Committee at each of its scheduled meetings. The Committee shall also review and approve disclosures required to be included in SEC periodic reports with respect to non-audit services.
4. On an annual basis, review and discuss with the independent auditor all relationships that the independent auditor has with the Company in order to evaluate the independent auditor's continued independence. The Committee shall ensure that the independent auditor submits to the Committee on an annual basis a written statement (consistent with the requirements of the Public Company Accounting Oversight Board) delineating all relationships and services that may impact the objectivity and independence of the independent auditor.
5. At least annually, obtain and review an annual report from the independent auditor describing (i) the independent auditor's internal quality control procedures, and (ii) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken to deal with any such issues. The Committee should discuss with the independent auditor whether the Company's audit is selected for review in an inspection and whether any of the matters described in the public portion of the inspection report involve the Company's audit (or whether they involve issues and approaches similar to those that arise or could arise in the audit of the Company's financial statements), among other issues.

6. Ensure, as required by law, the regular rotation of (i) the lead or coordinating audit partner having primary responsibility for the audit or review, (ii) the concurring audit partner(s), and (iii) any other significant audit team members.

With respect to financial statements and disclosure matters:

7. Review and discuss with management and the independent auditor the Company's annual audited financial statements (including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's Annual Report on Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.
8. Recommend to the Board, if appropriate, that the Company's annual audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.
9. Discuss earnings press releases, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-GAAP information.
10. Review and discuss with management and the independent auditor the Company's quarterly financial statements (including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's Quarterly Reports on Form 10-Q and the independent auditor's review of the quarterly financial statements) prior to submission to shareholders, any governmental body, any stock exchange, or the public.
11. Prepare the report of the Committee required by SEC rules to be included in the Company's annual proxy statement.
12. Discuss with the independent auditor the results of the annual audit and the matters required to be discussed under generally accepted auditing standards and Auditing Standard No.16, Communications with Audit Committees, as adopted

by the Public Company Accounting Oversight Board, relating to the conduct of the audit.

13. Periodically discuss with the independent auditor, without management being present, (i) its judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, and (ii) the completeness and accuracy of the Company's financial statements.
14. Receive and review a report from the independent auditor, prior to the filing of its audit report with the SEC, regarding any significant unusual transactions that are outside the course of business for the Company or that otherwise appear to be unusual due to their timing, size, or nature. The independent auditor must also describe management's policies or practices in accounting for those transactions.
15. Receive a schedule from the independent auditor, prior to the filing of its audit report with the SEC, of uncorrected misstatements related both to accounts and disclosures that the auditor provided to management and discuss with the auditor the basis for the conclusion that the misstatements are immaterial, including the qualitative factors considered.
16. Receive and review from the independent auditor a report regarding: (i) all significant accounting policies and practices, critical accounting policies and practices, and critical accounting estimates of the Company; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and the management of the Company, such as any management letter or schedule of unadjusted differences. The Committee might discuss with the independent auditor how current and anticipated future events might affect the determination of whether certain policies and practices are considered critical.
17. Obtain and review an annual report from management relating to the accounting principles used in preparation of the Company's financial statements (including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof). The independent auditor must (i) participate in management's discussion with the Committee regarding the Company's significant accounting policies and practices, critical accounting policies and practices and critical accounting estimates, (ii) affirmatively confirm to the Committee that the matters have been adequately conveyed by management, and (iii) in the case of critical accounting policies and practices, identify those policies and practices the auditor considers critical.

18. Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
19. Review with management, the independent auditor, and the Company's counsel any legal, regulatory, or compliance matters that could have a significant impact on the Company's financial statements, including significant changes in accounting standards or rules as promulgated by the Financial Accounting Standards Board, the SEC, or other regulatory authorities.

With respect to internal controls and miscellaneous issues:

20. Review with the independent auditor, the Company's Chief Risk Officer, Chief Internal Auditor, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and elicit any recommendation for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
21. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10Q filings about (i) any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and (ii) any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
22. Review the internal audit function of the Company including the independence and authority of its reporting obligations, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors. Reports from completed internal audits related to financial internal controls will be presented to the Committee while reports related to compliance internal controls will be presented to the Retail, Operations, and Compliance (ROC) Committee. Members of the ROC Committee are appointed by the Board and will include at least two members from the Company's Audit Committee.
23. Receive prior to each meeting, a summary of findings from completed internal audits and a progress report on the proposed internal audit plan, with explanations for any deviations from the original plan.
24. Oversee the Company's Enterprise Risk Management (ERM) program, including the process by which management assesses, prioritizes and manages the Company's material risks, as well as review the risk exposures for which

oversight responsibility has been delegated to the Committee by the Board. The Chief Risk Officer shall make periodic reports at a minimum of once a year to the Committee on the status of the Company's ERM program.

25. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
26. Determine appropriate funding provided by the Company, for payment of compensation to the independent auditor employed by the Company for the purpose of rendering or issuing an audit report and to any advisers employed by the Committee.
27. Oversee the legal compliance and ethics programs established by management and the Board that relate to the Company's financial reporting progress.
28. Receive and review corporate attorney's reports of evidence of material violations of securities laws or breaches of fiduciary duty.
29. Review, approve, and conduct appropriate oversight of all related party transactions to be entered by the Company or any subsidiary (as required to be disclosed pursuant to Item 404 of SEC Regulation S-K) pursuant to NASDAQ rules.
30. Establish a hiring policy for employees or former employees of the independent auditor that complies with applicable SEC and/or NASDAQ requirements.
31. Conduct an annual performance evaluation of the Committee and review the Committee's duties and responsibilities. Review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Publish this Charter as required by the rules and regulations of applicable law and as otherwise deemed advisable by the Committee.
32. Perform any other activities consistent with this Charter, the Company's organizational documents and governing law as the Committee or the Board deems necessary or appropriate.

IV. Meetings; Subcommittees

The Committee shall meet at least four (4) times annually, or more frequently as deemed appropriate by the Chairperson of the Committee, the Vice-chairperson of the Committee, or by any two (2) members of the Committee, including informally, by telephone or by written consent. A quorum for the transaction of any business by the Committee shall be a majority of the members of the Committee. The act of a majority of the members of the Committee shall be

the act of the Committee. Otherwise, unless the Committee or the Board adopts other procedures, the provisions of the Company's organizational documents applicable to meetings of the Board will govern meetings of the Committee. The Committee shall keep minutes of each meeting and the Chairperson of the Committee shall report on activities of the Committee to the full Board. As part of its job to foster open communication, the Committee will meet at least four times annually with management, the Chief Risk Officer, the Chief Internal Auditor, and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Committee shall have the authority to create one or more subcommittees, consisting of one or more members of the Committee, but no subcommittee will have any final decision-making authority on behalf of the Committee or the Board. Any such subcommittee shall keep the Committee advised of its activities.

V. Contingency Plan

In the event of termination or resignation of the independent auditor, the Audit Committee will investigate the circumstances leading to this event and make recommendations concerning any measures that are needed. Management is responsible for the timely filing of all required SEC forms relating to the event. The Chairperson, or designated members, of the Audit Committee shall immediately communicate with one to four independent registered public accounting firms who specialize in the audit of publicly traded financial-institution holding companies to submit proposals, if interested, for the annual audit. Interviews with interested firms will take place as soon as possible by the entire Audit Committee. The professional qualifications of the firms, including background and experience of the partner and audit personnel, should be reviewed. The review shall also include independence and any potential conflicts of interest. The Committee will then recommend the appointment of an external auditor to the Board. Upon Board approval, the independent auditor's proposed audit scope and approach for the current year will be reviewed by the Committee.

VI. Experts; Reliance; Cooperation

A. Retention of Counsel and Advisors. The Committee has the power, in its discretion, to retain at the Corporation's expense such independent counsel and other advisors and experts, as it deems necessary or appropriate to carry out its duties.

B. Reliance Permitted. In carrying out its duties, the Committee will act in reliance on management, the independent public accountants, internal auditors, and outside advisors and experts, as it deems necessary or appropriate.

C. Investigations. The Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.

D. Required Participation of Employees. The Committee will have unrestricted access to the independent public accountants, the internal auditors, outside counsel, and anyone else in the Corporation, and may require any officer or employee of the Corporation or the

Corporation's outside counsel or independent public accountants to attend any meeting of the Committee or to meet with any members of, or consultants or advisors to, the Committee.