

AUDIT COMMITTEE CHARTER

March 27, 2026

PURPOSE

This charter sets forth the authority and responsibilities of the Audit Committee (“the Committee”) of the Board of Directors (“the Board”) of Peoples Financial Services Corp. and its subsidiaries (“the Company”).

The Committee assists the Board in fulfilling its oversight responsibilities for the following:

- The integrity of the Company's consolidated financial statements and the Company's accounting and financial reporting processes and financial statement audits
- The Company's compliance with legal and regulatory requirements
- The registered public accounting firm's (“independent auditor's”) and internal audit qualification and independence
- The performance of the Company’s independent auditor and internal auditor
- The Company's system of disclosure controls and procedures
- The Company's internal control over financial reporting
- The Company's compliance with ethical standards adopted by the Company

MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board, each of whom shall (i) meet the independence requirements of the NASDAQ Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "SEC"); (ii) be independent, as required by any applicable regulations of the SEC and the requirements set forth in the listing rules and regulations of any national securities exchange of inter-dealer quotations system on which the Company's securities are listed or, in the event the Company's securities are not listed on any such exchange, chosen by the Board for disclosure purposes in accordance with SEC regulations; (iii) constitute an "outside director independent of management" within the meaning of applicable banking regulations, guidelines and interpretations; and (iv) satisfy any additional independence criteria established by the Board from time to time.

All members must comply with the applicable financial literacy requirements of each securities exchange on which the Company is listed.

At least one member of the Committee shall be an "audit committee financial expert," and at least two members shall have "banking or related financial management expertise," as defined in 12 CFR Part 363 of Federal Deposit Insurance Corporation regulations and Section 36 of the Federal Deposit Insurance Act (FDICIA”).

The Board will determine whether a director’s simultaneous service on multiple audit committees will impair the ability of such member to serve on the Committee.

The members of the Committee, including the chair of the Committee, shall be appointed by the Board with the assistance of its Nominating and Corporate Governance Committee, in accordance with the Company's bylaws. They shall serve until their successors are duly elected and qualified. Should any member of the Committee cease to be independent, such member shall immediately resign his or her membership of the Committee. The Committee may appoint a secretary who need not be a member. Members of the Committee may be removed by the Board at any time

with or without cause. In the event of a vacancy on the Committee, the Board may appoint an independent director to fill the vacancy for the remainder of the term.

MEETINGS

The Committee shall meet at such times and from time to time as it deems to be appropriate, but not less than quarterly. Members of the Committee may attend a meeting by telephone conference. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Except as otherwise provided by statute or this Charter, the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Minutes of each meeting of the Committee shall be reduced to writing. The Committee shall report to the Board at the first Board meeting following each such Committee meeting. The Committee may also act by unanimous written consent without a meeting.

As a part of its mission to foster open communication, the Committee should meet, whenever deemed appropriate by the Committee, with management, the independent auditors and the internal auditor in separate sessions to discuss any matters that the Committee or each of the groups believe should be discussed privately. In addition, the Committee should meet with the independent auditors, the internal auditor and management quarterly to review the Company's consolidated financial statements and related materials as described below.

AUTHORITY

The Committee has the authority to evaluate, engage, compensate and replace the independent auditor and to approve all audit and non-audit engagements with the independent auditor. In doing so, the Committee may consult with management but shall not delegate these responsibilities to management. The independent auditor shall report directly to the Audit Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees for such services and terms thereof) to be performed for the Company by the independent auditor. The Chair of the Committee will have the authority to give pre-approvals of audit and permissible non-audit services by the independent auditor, provided that all pre-approvals by the Chair must be presented to the full Committee at its next scheduled meeting. The Company will provide appropriate funding as determined by the Committee, for payment of compensation to the independent auditor and to any consultants, experts or advisors engaged by the Committee, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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, resources and personnel of the Company and its subsidiaries, and shall have the power to retain independent counsel, an independent accountant, or other consultants to provide specialized advisement services as it determines necessary to carry out its duties. The Company shall provide the appropriate funding for the compensation of such consultants employed by the Committee. The Committee may request any employee of the Company's independent auditor or other advisors to attend a meeting of the Committee or to meet with any named members or consultants to the Committee.

The Committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full Committee at its next scheduled meeting.

RESPONSIBILITIES AND DUTIES

The Committee shall:

- Review and assess the adequacy of the Committee and this Charter periodically as conditions dictate, and in any event no less often than annually, and recommend any updates to the Board.
- Review and discuss with management and the independent auditor, prior to the filing of the Form 10-K, the consolidated financial statements and related footnotes and the clarity of the disclosures in the consolidated financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of the Form 10-K) and, based on such review and discussions, recommend to the Board whether the consolidated financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.
- Review with management and the independent auditor the accounting principles relied upon in preparation of the consolidated financial statements, the reasonableness of significant judgments reflected in the preparation of the consolidated financial statements and the clarity and transparency of the disclosures made in the consolidated financial statements.
- Prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement. The Committee will include a statement within such report on whether the Committee has recommended that the financial statements be included in Form 10-K. The Committee should also ensure that a copy of the Committee's Charter is posted to the Company's website.
- Ensure that a public announcement of the Company's receipt of an audit opinion that contains a going concern qualification is made promptly.
- Review and discuss with management and the independent auditor the Company's quarterly consolidated financial statements to be included in the Company's Quarterly Reports on Form 10-Q for filing with the SEC, as well as whether significant events, transactions and changes in accounting estimates were considered by the independent auditor (after performing their required quarterly review) to have affected the quality of the Company's financial reporting. Such review will occur prior to the Company's filing of the Form 10-Q.
- In connection with its review and discussions regarding the Annual Report on Form 10-K, the Committee shall receive and review the written disclosures and the letter from the independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") regarding the independent auditors' communication concerning independence and discuss with the independent auditor its independence. Based on these reviews, the Committee shall recommend to the Board whether the audited financial statements should be included in the Annual Report on Form 10-K.
- Review the Company's disclosures contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or other pertinent forms, as applicable.
- Review the Company's earnings press releases, including the use of "pro-forma" or "adjusted" non-GAAP information (subject to compliance with law and applicable SEC rules, including Regulation G) as well as other publicly disclosed financial information and earnings guidance and discuss any of the foregoing with management to the extent desired by any member of the Committee. Such discussion may be general in nature (consisting of types of information to be disclosed and the types of presentations to be made).
- Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, including pronouncements by the Financial Accounting Standards Board, the SEC and other agencies or bodies on the Company's consolidated financial statements.
- Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial

Officer (or principal financial officer) or the Company's Disclosure Committee or any member thereof, during their certification process for the Form 10-K or Form 10-Q, as appropriate, about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

- Review with management and the independent auditor all matters required to be communicated to the Committee under generally accepted auditing standards, by the independent auditor relating to the conduct of the audit, and any significant disagreements with management.
- Review and approve reports and disclosures of insider and related party transactions.
- Review and discuss with the internal auditor and management the internal audit reports produced by the internal auditor and management's response thereto.
- Review and discuss quarterly reports from the independent auditor regarding:
 - all critical accounting policies and practices to be used,
 - all alternative disclosures and treatments of financial information within GAAP (generally accepted accounting principles) that have been discussed with management officials, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor, and
 - all other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- At least annually, consult with the independent auditor out of the presence of management about internal controls, the fullness and accuracy of the Company's consolidated financial statements and the appropriateness of accounting policies, and the correction of controls and policies deemed to be deficient. After the completion of the audit, the Committee shall review with the independent auditor any problems or difficulties the independent auditor may have encountered. The Committee will ascertain on an annual basis that the independent audit firm is in good standing with the PCAOB.
- The Committee shall obtain and review a report from the independent auditor, at least annually regarding (a) the independent auditor's internal quality control procedures, (b) 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 of more independent audits carried out by the independent auditor and (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate, and the provision of permitted non-audit services is compatible with maintaining the independent auditor's independence and taking into account the opinions of management and the internal auditor. The Committee shall present its conclusions with respect to the independent auditor to the Board.
- Obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and take, or recommending that the full Board take, appropriate action to oversee the independence of the independent auditor.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
- Review with the Company's legal counsel legal matters that may have a material impact on the consolidated financial statements, the Company's compliance policies and any material reports or inquiries received from

regulators or governmental agencies.

- Oversee the Company's internal audit function, including (i) assessing the independence of the internal auditor; (ii) reviewing and approving the scope and procedures of the internal audit; and (iii) evaluating the effectiveness of the internal audit system.
- Discuss the internal auditor's compliance with the Institute of Internal Auditors "International Standards for the Professional Practice of Internal Auditing."
- Review the internal auditor's annual risk assessment conducted through meetings with individual business units and Risk Management.
- Review significant reports to management prepared by the internal auditor, including management responses and any difficulties encountered during the course of any internal audit, including access to any requested information. Periodically review actual performance versus plan and approve any recommended changes. Ensure remediation of the findings is completed.
- Discuss the adequacy of internal control requirements performed by the internal auditor, particularly related to Section 404 of the Sarbanes-Oxley Act.
- Review and recommend to the Board regarding the appointment, replacement, reassignment or dismissal of the internal auditor.
- Periodically (at least quarterly) consult with the internal auditor without the presence of management about internal controls, compliance with the laws and regulations, compliance with policies promulgated by the Board, compliance with the Company's Code of Ethical Conduct and the adequacy of the internal auditor's resources.
- Review and, if required under any related party transaction policy the Company has adopted, approve any transaction between the Company and related parties, and periodically review such policies and procedures and make recommendations to the Board with respect thereto.
- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of the Company and direct access to the independent auditor. The Committee has the ability to retain, at the Committee's request, special legal, accounting or other consultants, experts or advisors it deems necessary in the performance of its duties.
- Consider such other matters in relation to the financial affairs of the Company and its accounts and in relation to the audit of the Company, as the Committee may, in its discretion, determine to be advisable.
- Provide an open avenue of communication among the independent auditor, executive and senior management, and the internal auditor and the Board.
- Report to the Board all actions taken by the Committee and its appraisal of the audit efforts of the Company's independent auditor and internal auditor.
- Meet as needed with management alone to discuss any matter that the Committee or management believes should be discussed privately.
- Perform such other duties as may be determined by the Board from time to time.
- Periodically review and make any appropriate recommendations to the Board concerning updates or changes to the Company's code of ethics and ensure that the code of ethics contains an enforcement mechanism that ensures prompt and consistent enforcement of the code, protection for persons reporting questionable behavior, clear and objective standards for compliance and a fair process by which to determine violations.

Review the procedures established by the Company that monitor the compliance by the Company with the code by directors, officers and employees.

- Establish and periodically review and, as appropriate, revise 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.
- Review and recommend annually for shareholder ratification the selection of the Company's independent auditor and in the event the shareholders do not ratify the selection of the Company's independent auditor, reconsider such selection.
- Oversee risks and exposures associated with financial matters, particularly financial reporting, taxes, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters and ensure that such risks (together with the procedures implemented to manage such risks) are adequately and appropriately disclosed in the Company's public filings.
- Oversee and monitor internal controls over the allowance for credit losses determination procedures and methodology.

The specificity of the above responsibilities and duties is set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate, given the circumstances, provided that the Committee fulfills its duties and responsibilities under applicable laws, regulations and listing standards, and such other duties and responsibilities as may be specifically designated by the Board.

SUMMARY

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board, and to report the results of its activities to the Board. Management is responsible for the preparation and integrity of the Company's consolidated financial statements and the independent auditor is responsible for auditing those consolidated financial statements. Management and the internal auditor are responsible for maintaining appropriate accounting and financial reporting policies and procedures including internal controls designed to comply with applicable accounting standards, laws and regulations.