

**CHARTER  
OF  
THE AUDIT COMMITTEE  
OF  
OAK VALLEY BANCORP AND OAK VALLEY COMMUNITY BANK**

*(As adopted by the Board of Directors on May 19, 2026)*

**I. PURPOSE**

The Audit Committee of Oak Valley Bancorp and its subsidiary Oak Valley Community Bank (collectively, the “Company”) is a committee of the Board of Directors of Oak Valley Bancorp and its subsidiary Oak Valley Community Bank (collectively, the “Board”).

The purposes of the Audit Committee are to:

- (A) Assist Board oversight of (a) the integrity of the Company’s financial statements; (b) the Company’s compliance with legal, regulatory, and Bank Secrecy Act/Anti-Money Laundering (BSA/AML) requirements; (c) the independent auditor’s qualifications and independence; (d) the performance of the Company’s internal audit function and independent auditors; and (e) the effectiveness of the Company’s risk management function, and
- (B) Prepare the report that the rules of the Securities and Exchange Commission (“SEC” or “Commission”) require to be included in the Company’s annual proxy statement.

**II. RESPONSIBILITIES OF AUDIT COMMITTEE**

The function of the Audit Committee is oversight. The management of the Company is responsible for preparation, presentation and integrity of the Company’s financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal control and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a proper audit of the Company’s annual financial statements and other audit, review, attestation or reporting procedures required by applicable PCAOB, SEC, AICPA, banking agency and professional standards. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

The specific duties of the Audit Committee include the following:

**Independent Auditors**

1. The Audit Committee shall be directly responsible for the appointment, compensation (including fee arrangements), retention and oversight of the work of the independent auditors (including the resolution of disagreements between management and the independent auditors regarding financial reporting), who shall report directly to the Audit

- Committee. The oversight should include the review and evaluation of the qualifications, performance and independence of the lead partner of the independent auditor. In making its evaluation of the performance of the independent auditor, the audit committee should take into account the opinions of management and the Company's internal auditor function.
2. The Audit Committee shall be directly responsible for the appointment, compensation (including fee arrangements), retention and oversight of the work of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which firm shall also report directly to the Audit Committee.
  3. The Audit Committee shall review annually<sup>1</sup>, the auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, respecting one or more independent audits carried out by the auditors and any steps taken to deal with any such issues.
  4. The Audit Committee shall review the auditor's independence by:
    - (i) Actively engaging in a dialogue with the independent auditors about any relationships or services disclosed that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors, including matters required to be communicated under applicable PCAOB, SEC, AICPA, banking agency and professional standards..
    - (ii) Reviewing any relationships between the auditors and the Company, or any other relationship, that may adversely affect the auditors' independence.
    - (iii) Pre-approving, or adopting appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent auditors; and
    - (iv) Setting clear policies defining the circumstances under which the Company is permitted to hire former employees of the independent auditors, and
    - (v) Confirming that the independent auditor does not perform internal audit outsourcing services for the Company while serving as independent external auditor.
  5. The Audit Committee shall annually require the auditors to confirm in writing their understanding of the fact that they are ultimately accountable to the Audit Committee.
  6. The Audit Committee shall review annually the auditors' proposed audit plan and approach, as well as staffing and timing of the audit and related matters.
  7. The Audit Committee or Audit Committee Chair shall review and approve the independent auditor's engagement letter before audit services begin, including scope, fees, reporting

<sup>1</sup> This review may be supported by the Audit Quality Report, Peer Review Report, PCAOB Inspection Report, the QC 1000 attestation, or their applicable equivalents.

expectations, access to information, independence matters, and any terms that may limit the Company's rights or remedies.

8. The Audit Committee shall obtain from management, review and approve a description of issues and responses when a second opinion is proposed by management to be sought from another outside accountant.
9. The Audit Committee shall discuss with management the timing and process for implementing the rotation every five years of the lead audit partner, the concurring partner and any other active audit engagement team partner.
10. The Audit Committee shall periodically discuss with management the advisability of rotating the Company's independent audit firm.

#### Financial Reporting, Accounting Principles and Policies

11. The Audit Committee shall advise management, the internal audit function and independent auditors that they are expected to provide the Audit Committee a timely analysis of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting. The Audit Committee shall review material issues, as appropriate, regarding financial reporting, accounting principles and policies, including:
  - (i) any significant changes in the Company's selection or application of accounting principles;
  - (ii) any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
  - (iii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
  - (iv) the effect of regulatory and accounting initiatives, on the financial statements of the Company; and
  - (v) any reports or communications required by applicable PCAOB, SEC, AICPA, banking agency and professional standards, as it may be modified or supplemented.
12. The Audit Committee shall obtain from the Company's auditors in connection with any audit, a timely report relating to the Company's annual audited financial statements describing:
  - (i) all critical accounting policies and practices used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles for policies and practices related to material items that have

been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm; and

- (iii) any other material written communications between the registered public accounting firm and the management of the Company, such as any management letter or schedule of unadjusted differences.
13. The Audit Committee shall review all off-balance sheet transactions for compliance with applicable accounting rules and legal disclosure rules.
  14. The Audit Committee shall discuss with the independent auditors any significant matters from any audit, including any problems, difficulties or disagreements with management encountered by the auditors during the course of the audit, and management's response, including reviewing with the independent auditor:
    - (i) any restrictions on the scope of the independent auditor's activities or on access to requested information;
    - (ii) the schedule of unrecorded adjustments to the Company's financial statements and the reasons underlying the Company's assessment of the immateriality of such adjustments and any accounting adjustments that were noted or proposed by the auditor but were passed as immaterial or otherwise;
    - (iii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement;
    - (iv) any management or internal control letter issued, or proposed to be issued, by the auditor to the Company; and
    - (v) the responsibilities, budget and staffing of the Company's internal audit function.
  15. The Audit Committee shall discuss the quarterly and annual financial statements with the appropriate officers and/or employees of the Company and with the Company's independent auditors, including the Company's disclosures under applicable SEC rules and professional standards. The Audit Committee shall review significant matters related to financial reporting, as appropriate.
  16. The Audit Committee shall discuss with the Company's independent auditors the matters required to be discussed by relevant auditing standards, including the quality, and not just the acceptability, of the accounting principles and underlying estimates used in the statements.
  17. The Audit Committee shall, if the Committee finds the annual financial statements acceptable, recommend to the Board of Directors that they be included in the Company's annual report on Form 10-K.

18. The Audit Committee (or if designated, the Committee Chair) shall review and discuss with the Company's financial management and the independent auditors the quarterly earnings releases.
19. The Audit Committee shall review prior to publication or filing and approve such other Company financial information, including appropriate regulatory filings and press releases that include financial information, as the Committee deems desirable.

#### Internal Control over Financial Reporting

20. The Audit Committee shall:
  - (i) Inquire of the Company's chief executive officer and chief financial officer as to the existence of any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting; and
  - (ii) Annually review the quality of internal accounting and financial control, the auditor's report or opinion thereon and any recommendations the auditor may have for improving or changing the Company's internal controls, as well as management's response thereto and any other matters required to be discussed relating to internal controls under applicable PCAOB, SEC, AICPA, banking agency and professional standards.

#### Internal Audit Function

21. The Audit Committee shall:
  - (i) Oversee the effectiveness, independence, objectivity, qualifications and performance of the internal audit function, including any outsourced internal audit provider or independent reviews;
  - (ii) Appoint and evaluate the Company's Executive Vice President, Chief Risk Officer who shall meet with the Audit Committee on a regular basis, attend meetings of the Audit Committee, and report regularly on the activities of the Internal Audit function.
  - (iii) Review and approve and/or propose changes to the annual Internal Audit Plan and Risk Assessment ensuring comprehensive coverage of financial, operational, cybersecurity and strategic risk areas, including significant deferrals, cancellations, additions or material scope changes. Also review and approve budgets and staffing for the Internal Audit Department; and

- (iv) Review significant internal audit reports (“Reports”) and/or recommendations, management responses, remediation status, high-risk, significant or repeat findings and review items tracked through the Company’s audit response tracking process.

Related Party Transactions

- 22. The Board of Directors shall review and approve all related party transactions of the Company as defined by Item 404 of Regulation S-K promulgated by the Commission pursuant to the Securities Act of 1933, as amended.

Risk Management

- 23. The Board of Directors shall discuss policies with respect to the Company’s risk assessment and risk management and review the Company’s major financial risk exposures and the steps management has taken or proposes to take to monitor and control such exposures.
- 24. The Board of Directors shall oversee the Company’s Enterprise Risk Management Committee. The Enterprise Risk Management Committee shall report to the Board of Directors at least quarterly on the effectiveness of risk management processes and the overall risk assessment of the Company’s activities.

**III. REPORTING RESPONSIBILITIES**

- 25. The Audit Committee shall regularly report its activities, concerns, conclusions and recommendations to the Board of Directors, reviewing with the Board any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance and independence of the Company’s independent auditors, or the performance of the internal audit function.

**IV. AUTHORITY OF COMMITTEE**

- 26. The Audit Committee and each of its members may communicate directly and/or privately with the Company’s directors, officers, employees, consultants, agents, internal auditors, outsourced audit providers, independent credit review providers, independent auditors, attorneys-in-fact, counsel, advisors, and any and all third parties, and require the full cooperation of all such persons, in the performance of the Committee’s functions. The internal audit function, outsourced audit providers, independent credit review providers, independent external auditor, legal counsel and other advisors have direct and unrestricted access to the Committee and Committee Chair without prior management approval.
- 27. The Committee may cause an investigation to be made into any matter within the scope of its responsibilities under this Charter as the Committee deems necessary, or as otherwise authorized, requested or directed by the Board of Directors. The Committee may require Company personnel to assist in any such investigation and may engage independent resources to assist in such investigations as it deems necessary.

28. The Chair of the Audit Committee is authorized and empowered to expend corporate funds to retain and secure independent auditors for the Company and such consultants, advisors, attorneys, investigatory services or other expert advice and assistance, and to fund ordinary administrative expenses of the Audit Committee, as are necessary or appropriate to carry out its duties under these resolutions and this Charter, including the authority and power to sign, execute and deliver any and all such checks, drafts, vouchers, receipts, notes, documents, contracts and any other instruments whatsoever as he or she shall deem appropriate, in the name and on behalf of the Company.

## **V. COMMITTEE MEMBERSHIP**

29. The Audit Committee shall be comprised of at least three directors each of whom (i) is independent under the rules of the NASDAQ Stock Market and the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder; (ii) does not accept any consulting, advisory or other compensatory fee from the Company or any subsidiary other than in his or her capacity as a member of the Board or any committee of the Board; (iii) is not an “affiliate” of the Company or any subsidiary of the Company, as such term is defined in Rule 10A-3 under the Securities Exchange Act of 1934, as amended; and (iv) has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. All members of the Committee must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement, and the Committee shall have at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the member’s financial sophistication.
30. No member of the Audit Committee may simultaneously serve on the audit committee of more than two other public corporations, unless the Board of Directors determines that such simultaneous service would not impair such director’s ability to effectively serve on the Company’s Audit Committee and such determination is disclosed in the Company’s annual proxy statement.
31. Members of the Committee shall be appointed by the Board of Directors based on nominations recommended by the Company’s Corporate Governance and Nominating Committee and shall serve at the pleasure of the Board of Directors and for such term or terms as the Board may determine.

## **VI. MEETINGS**

32. The Audit Committee shall meet as often as necessary to fulfill its functions as determined by the Committee, but no less than four times annually. The Audit 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 Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Members of the Audit Committee may participate in a meeting of the Audit Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

33. At least twice a year, the Committee shall meet in executive session without other members of management present.
34. Prior to the beginning of each fiscal year, the Chair, with the assistance of the Chief Risk Officer, shall draft a proposed schedule of the Committee's activities for the coming year, which shall include regular meetings to be held at least on a quarterly basis.
35. Each Committee member is required to attend at least 75 percent of the aggregate of (1) the total number of meetings of the Board of Directors of the Company (held during the period for which he or she has been a director); and (2) the total number of meetings held by all committees of the Board on which he or she served (during the periods that he or she served), including but not limited to meetings of the Audit Committee.

## **VII. COMPLAINTS**

36. All complaints received by the Committee relating to accounting, internal accounting controls or auditing matters shall be retained and reviewed by the Committee. Upon receipt of a complaint, the Chair of the Committee shall assign the complaint to any one or more members of the Committee (including the Chair) for preliminary review and may authorize the use or engagement of such counsel, accountants, investigators or other assistance as the Chair, in the exercise of his or her discretion, shall determine to be appropriate under the circumstances.
37. Management shall retain the original of all such complaints until further notice by the Committee.
38. At least annually, management shall ensure that each employee of the Company is advised in writing (including by any form of electronic transmission which provides the employee the ability to reproduce a written copy of such transmission) that he or she may submit, on a confidential and anonymous basis, complaints regarding accounting, internal accounting controls, or auditing matters and concerns regarding questionable accounting or auditing matters. The advice shall include the name and business address of the Chair of the Committee and shall inform employees that they should direct their complaints to the Chair, in writing, at such address.

## **VIII. ANNUAL PERFORMANCE EVALUATION OF THE COMMITTEE**

39. The Committee shall conduct an annual self-evaluation of its performance focusing on the quality of the Committee's review of:
  - (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
  - (ii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the

preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;

- (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and
- (iv) earnings press releases (paying particular attention to any use of “pro forma,” or “adjusted” non-GAAP, information).
- (v) internal audit oversight, outsourced audit provider oversight, remediation oversight and direct provider access responsibilities described in this Charter.

## **IX. GENERAL**

- 40. The Audit Committee shall annually review and reassess the adequacy of this Audit Committee Charter, and any provisions of the Company’s by-laws which refer to the Audit Committee and propose to the Board of Directors necessary or appropriate revisions. The Committee shall also review the Audit Policy and other audit governance documents, as appropriate, and recommend material revisions to the Board.
- 41. The Board of Directors reserves all authority permitted under the rules of the SEC and NASDAQ Stock Market.