

**Central Pacific Financial Corporation
&
Central Pacific Bank**

Board of Directors

Audit Committee Charter

January 27, 2026

1. Definitions of Terms Used Herein

The following terms used in this Charter have the following meanings:

- A. “applicable laws” means and includes all laws, rules, regulations and requirements applicable or relating to a particular matter, and includes, without limitation, the Sarbanes-Oxley Act of 2002, the NYSE Listing Standards, the Exchange Act, the FDIC Rules and Regulations (including, without limitation, Part 363), the Federal Deposit Insurance Corporation Improvement Act of 1991, and the Interagency Policy Statement on the Internal Audit Function and Its Outsourcing (FRB SR 03-5, dated April 22, 2003).
- B. “Board” means the Board of Directors of the Company.
- C. “Chair” means the Chair of the Committee.
- D. “Charter” means this Audit Committee Charter of the Board.
- E. “Committee” means the Board Audit Committee.
- F. “Company” means collectively CPF and CPB, unless used contextually otherwise.
- G. “CPB” means Central Pacific Bank.
- H. “CPF” means Central Pacific Financial Corp.
- I. “Exchange Act” means the Securities Exchange Act of 1934.
- J. “FDIC” means the Federal Deposit Insurance Corporation.
- K. “FRB” means the Federal Reserve Bank.
- L. “GAAP” means generally accepted accounting principles.
- M. “NYSE” means the New York Stock Exchange.
- N. “outsourcing” means the engagement of third parties to provide services to and/or perform work for the Company which could also be accomplished within the Company.
- O. “SEC” means the United States Securities and Exchange Commission.
- P. “Director of Internal Audit and Credit Review” means the CPF/CPB employee who reports directly to the Audit Committee and who is responsible for overseeing the activities of the internal audit and credit review functions.

2. Purpose

The Committee's primary purpose is to assist the Board in overseeing various accounting, auditing, internal control, compliance with laws, legal and regulatory matters of the Company. Accordingly, in fulfillment of this purpose, the Committee's primary objectives are to:

- A. Monitor the integrity of the financial statements and accounting information, of the internal audits and credit reviews, of the internal controls, and of the handling of legal matters, of the Company and its subsidiaries.
- B. Appoint (subject to shareholder approval, if applicable), determine the qualifications, independence and compensation of, oversee the work of, and evaluate the performance of, the Company's independent auditors and internal audit and credit review functions that audit the Company and any of its subsidiaries.
- C. Monitor the compliance by the Company with legal and regulatory requirements, to include without limitation, consumer laws and regulations, the Bank Secrecy Act, the Company's Code of Conduct & Ethics for all employees, officers and directors, and the Company's Code of Conduct & Ethics for Senior Financial Officers.
- D. Coordinate and facilitate communication among the independent auditors, Company management and the Board respecting accounting, auditing, internal controls and legal matters.
- E. Perform such other duties and responsibilities as may be requested by the Board or required by law to be performed by the Committee as the audit committee for the Company.
- F. Take all such related and other actions as the Committee deems reasonably necessary in order to fulfill its duties and responsibilities under this Charter.

3. Authority

The Committee is established pursuant to the Bylaws of the Company.

In order to carry out its purpose, objectives and responsibilities under this Charter, the Committee shall have the following authority:

- A. To take all necessary or appropriate actions in order to fulfill its responsibilities under this Charter.
- B. To appoint (subject to shareholder approval, if applicable), terminate, determine the qualifications, independence and compensation of, oversee the work of, and evaluate the performance of, the independent auditors of the Company and any of its subsidiaries. The Committee shall have the sole authority (subject only to any applicable shareholder approval), with respect to the matters set forth in the preceding sentence. The Committee shall also have the authority to outsource all or portions of the internal audit and/or credit review functions, as it deems necessary.
- C. To communicate directly with and have direct access to the independent and internal auditors and credit review personnel, including the Director of Internal Audit and Credit Review that audit the Company and any of its subsidiaries.

- D. To determine the level of funding appropriate for payment of compensation to the independent auditors and the internal audit and credit review functions for issuing audit reports and rendering other audit services and to any advisors employed by the Committee. The Committee shall have sole authority to approve all independent auditor and internal audit and credit review engagement fees.
- E. To request that any officer or employee of the Company, the Company's independent auditors, parties performing internal audit or credit review functions or outside attorneys attend a meeting of the Committee or to meet with any members of, or consultants or advisors to, the Committee.
- F. To the extent it deems necessary or appropriate, to ask the Company to provide the Committee with resources to assist it in carrying out its duties.
- G. To the extent it deems necessary or appropriate, to form and delegate authority to subcommittees consisting of one or more committee members, including the authority to grant pre-approvals of audit and non-audit services, provided that the decision of such subcommittees to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.
- H. To conduct any investigation that it deems necessary or appropriate pursuant to its fulfillment of its responsibilities under this Charter.
- I. To the extent it deems necessary or appropriate, to retain independent legal, accounting or other consultants or advisors.
- J. To perform such other duties and responsibilities as may be requested by the Board or required by law to be performed by the Committee as the audit committee for the Company.

4. Membership

- A. Appointment. The members of the Committee are appointed annually by the Board and serve until their successors are duly elected and qualified.
- B. Number. The Committee will have a minimum of three members, with respect to both the CPB Audit Committee and CPF Audit Committee; as required for CPF only by Section 303A.07(a) of the New York Stock Exchange Listed Company Manual.
- C. Independence. Committee members must be non-employee directors, be independent and free from any relationship that would interfere with the exercise of their independent judgment, and fully satisfy any and all other independence requirements as prescribed by all applicable laws.
- D. Financial Experience. All members of the Committee shall have sufficient business, financial and/or accounting background and experience in order to fully satisfy any and all financial and accounting experience requirements which are prescribed by all applicable laws.
- E. Audit Committee Financial Expert. At least one member of the Committee shall have sufficient business, financial and/or accounting background and experience in order to fully qualify such person as an "audit committee financial expert", as defined by any applicable laws.

- F. Banking or Related Financial Management Expertise. At least two members of the Committee shall have banking or related financial management expertise as determined by the Board. A person will be considered to have such required expertise if the person has significant executive, professional, educational, or regulatory experience in financial, auditing, accounting, or banking matters as determined by the Board. Significant experience as an officer or member of the board of directors or audit committee of a financial services company would satisfy the foregoing criteria.
- G. No Large Customers. No member of the Audit Committee may be a “large customer” of the Company. A “large customer” is any individual or entity (including a controlling person of any such entity) which, in the determination of the Board, has such significant direct or indirect credit or other relationships with the Company, the termination of which likely would materially and adversely affect the Company’s financial condition or results of operations.
- H. Committee Chair. The Board will appoint one of the members of the Committee to serve as Chair. The Chair will have authority to act on behalf of the Committee between meetings.
- I. Other Membership Requirements. The members of the Committee and its Chair shall satisfy all other applicable laws pertaining to the qualifications of any member or Chair of the Committee, or to the composition of the Committee.

5. Meetings

- A. Chair. The Chair shall preside over the Committee meetings. In the event the Chair is absent and has not delegated another Committee member to preside over the meeting, the Committee members present at any such Committee meeting shall decide among themselves which member shall preside over that meeting.
- B. Frequency. The Committee shall meet at least four times annually and may meet more frequently as it deems necessary or appropriate.
- C. Agenda. The Chair shall be responsible for preparing or having prepared an agenda for each Committee meeting.
- D. Attendance by Others. The Chair shall coordinate the attendance at the meeting by management, the independent auditors, internal audit and credit review parties, including the Director of Internal Audit and Credit Review, and all others whom the Committee seeks to meet with.
- E. Private Sessions. The Committee will, on a periodic basis, meet separately with the independent auditors, the internal audit and credit review parties, the Director of Internal Audit and Credit Review, and management, to discuss any matters which the Committee or these other groups want to discuss privately.
- F. Minutes. The Chair shall ensure that minutes of every Committee meeting are taken, recorded and kept and that all documentation submitted before the Committee is maintained with the minutes.
- G. Joint Sessions. The CPF Audit Committee and CPB Audit Committee will generally meet jointly, but will hold separate sessions if necessary, to address issues that are relevant to one entity but not the other or to consider transactions between the two entities or other matters where CPF and CPB may have different interests. The Committee should consult with internal or outside counsel if, in the opinion of the Committee, any matter under consideration by the Committee has the potential for any

conflict between the interests of CPF and CPB or the Company's other subsidiaries in order to ensure that appropriate procedures are established for addressing any such potential conflict and for ensuring compliance with the Company's policies regarding Sections 23A and 23B of the Federal Reserve Act and related Regulation W.

6. Responsibilities

In fulfilling its primary purpose and objectives, the Committee shall have the following responsibilities:

- A. Charter Review. The Committee will review and reassess the adequacy of this Charter annually, and thereafter recommend this Charter, and any proposed changes to this Charter, to the Board for annual approval. The Committee shall ensure this Charter is published and otherwise made publicly available in accordance with all applicable laws.
- B. Financial Reporting. The Committee will accomplish the following with respect to monitoring the Company's financial reporting.
 - 1. Review and discuss with management and the independent auditors the Company's quarterly financial statements, including disclosures made in management's discussion and analysis, prior to the filing of its Form 10-Q, including the results of the independent auditors' reviews of the quarterly financial statements. This review should include a discussion of all applicable items set forth in subsection B.
 - 2. Prior to the filing of the Company's Form 10-K, review and discuss with management and the independent auditors the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K. This review should include a discussion of all applicable items set forth in subsection B.
 - 3. Review and discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the appropriateness and quality of the Company's accounting principles; any significant changes in the Company's selection or application of accounting principles; the development, selection and disclosure of critical accounting estimates and critical audit matters and the use thereof; and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.
 - 4. Discuss with management, either specifically or by discussion of the types of information to be disclosed and the types of presentation to be made, the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information and any earnings guidance, as well as financial information provided to analysts and rating agencies.
 - 5. Review and discuss any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise); any communication between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; and any "management" or "internal control" letter issued or proposed to be issued by the audit firm of the Company.

6. Discuss with management the Company's policies with respect to risk assessment and risk management activities, including the risk of fraud. The Committee shall also discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
 7. Discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 114 as it may be modified or supplemented.
 8. Discuss with the Company's independent auditors, internal auditors (including the Director of Internal Audit and Credit Review), and management any material weaknesses or significant deficiencies that any of the foregoing have identified relating to financial reporting or other related matters and their proposals for rectifying such items.
 9. Monitor the Company's progress in promptly addressing and correcting any and all identified material weaknesses or significant deficiencies in financial reporting or other related matters.
 10. Receive periodic reports from and discuss with the independent auditors and appropriate officers of the Company the effect of significant accounting, regulatory or reporting developments proposed by the Financial Accounting Standards Board or the SEC that may impact the Company or its financial statements.
 11. Receive periodic reports from independent auditors and appropriate officers of the Company on significant financial reporting or other related matters for non-bank subsidiaries.
 12. Oversee the preparation of the Committee's report required by the rules of the SEC to be included in the Company's annual proxy statement.
- C. Internal Controls. The Committee will accomplish the following with respect to monitoring the Company's internal controls.
1. Discuss and review management's assessment of the effectiveness of internal controls over financial reporting as of the end of the most recent fiscal year and the independent auditors report on the effectiveness of internal controls over financial reporting.
 2. Discuss with the Company's independent auditors, internal auditors (including the Director of the Internal Audit and Credit Review), and management any material weaknesses or significant deficiencies that any of the foregoing have identified relating to internal controls or other related matters and their proposals for rectifying items, in connection with the required quarterly certifications under Section 302 of the Sarbanes-Oxley Act. In addition, the Committee shall discuss with management, the internal auditors (including the Director of Internal Audit and Credit Review) and independent auditors any significant changes in internal controls over financial reporting that are disclosed or considered for disclosure, in the Company's periodic filing with the SEC.
 3. Monitor the Company's progress in promptly addressing and correcting any and all identified material weaknesses or significant deficiencies in internal controls or other related matters.

4. Receive periodic reports from independent and internal auditors (including the Director of Internal Audit and Credit Review) and appropriate officers of the Company on internal controls or other related matters for non-bank subsidiaries.
- D. Independent Auditors. The Committee will accomplish the following with respect to the independent auditor of the Company or any of its subsidiaries.
1. Appoint (subject to shareholder approval, if applicable), compensate, and oversee the work of the independent auditor (including resolution of disagreements between management and the auditors) for the purpose of preparing or issuing an audit report or related work. The Committee is directly responsible for appointing, compensating and overseeing the work of the independent auditor and they shall be directly accountable to and report directly to the Committee.
 2. In selecting an independent auditor, the Committee shall ensure that sufficient due diligence is performed, to include, without limitation, reviewing the auditor's and its staffs' experience, expertise, qualifications, available resources and independence.
 3. The Committee shall ensure that all independent auditor engagements are in writing and cover all pertinent areas of the engagement, to include, without limitation: the expectations and responsibilities of both parties; the scope and frequency of the work; fees; type and frequency of reporting to senior management and the Board; the handling of amendments, defaults and termination of the engagement; possession, ownership, accessibility, location, and retention regarding reports and work-papers; submission to regulatory review; dispute resolution process and allocation of liability; and, separation of auditor from management/employee functions.
 4. Oversee the rotation of the lead (or coordinating) independent audit partner having primary responsibility for the independent audit and the audit partner responsible for reviewing the independent audit at least once every five years and consider whether, in order to assure the continuing auditor independence, it is appropriate to rotate the auditing firm itself on a regular basis.
 5. Review and monitor the independence, qualifications and performance of the independent auditors by, among other things:
 - a. Obtaining and reviewing a report from the auditors at least annually regarding (i) the auditors' internal quality-control procedures, (ii) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more audits carried out by the firm, (iii) any steps taken to deal with any such issues, (iv) all relationships between the auditors and the Company, and (v) all significant relationships that could impair the auditors' independence;
 - b. Evaluating the independence, qualifications and performance of the auditors, including considering (i) whether the auditors' quality controls are adequate, (ii) whether any disclosed relationships or services may impair the objectivity and independence of the auditors, (iii) whether the experience, qualifications and independence of the senior members of the independent audit team are acceptable, and (iv) whether, for the independent auditor, the provision of any non-audit

services is compatible with maintaining the independent auditors' independence, taking into account the opinions of management; and

- c. Taking appropriate action to ensure the continued independence of the independent auditor.
6. Review and discuss with the independent auditor and management and approve their annual audit plan, budgets, staffing, reports and responsibilities, and the scope, approach and results of their audits, and any reliance upon management and others.
7. Pre-approve all auditing services and permitted non-audit services to be performed for the Company or any of its subsidiaries by the independent auditors, except as provided in this paragraph. In no event shall the independent auditors perform any non-audit services for the Company which are prohibited by any applicable laws. The Committee shall establish general guidelines for the permissible scope and nature of any permitted non-audit services in connection with its annual review of the audit plan and shall review such guidelines with the Board. The Committee may delegate to one or more of its members the authority to grant pre-approvals of such permitted non-audit services, provided that any such pre-approvals granted pursuant to this delegated authority shall be reported to the Committee at its next regular meeting. Formal pre-approval shall not be required for the provision of non-audit services if (i) the aggregate amount of all such non-audit services constitutes not more than 5% of the total amount of revenues paid by the Company to the auditors during the fiscal year in which the non-audit services are provided, (ii) such services were not recognized by the Company at the time of engagement to be non-audit services, and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit. Approvals of a non-audit service to be performed by the independent auditors and, if applicable, the guidelines pursuant to which such services were approved, shall be disclosed as promptly as practicable in the Company's quarterly or annual reports required by Section 13(a) of the Exchange Act. In carrying out its responsibilities under the preceding paragraph, if the Committee approves an audit service within the scope of engagement of the independent auditors, such audit service shall be deemed to have been pre-approved for purposes of this paragraph.
8. Ensure that the independent auditors have access to all necessary Company resources and personnel.
9. Instruct the independent auditors to communicate directly to the Committee, any disputes with management, or any problems or difficulties encountered in connection with any audit.
10. Obtain from the independent auditors any reports required to be furnished to the Committee under all applicable laws.
11. Review all reports prepared by the independent auditors for or on behalf of the Company and/or management, and any management responses thereto.
12. Determine and approve the fees and other compensation paid to the independent auditor, outside auditors, or consultants.
13. Discharge and terminate the independent auditors when circumstances warrant.

14. Review with management and the independent auditors the basis for the reports required to be filed by management and by the independent auditors with the FDIC pursuant to 12 C.F.R. Section 363.2(a) and (b) and Sections 363.3(a) and (b), respectively.
- E. Internal Audit and Credit Review Examinations. The Committee will accomplish the following with respect to the internal audit and credit review functions of the Company or any of its subsidiaries. Bank Secrecy Act, Information Security Program and compliance with consumer laws and regulations reports shall be provided to the Audit Committee.
1. Appoint, compensate, and oversee the work of the internal audit and credit review functions (including resolution of disagreements between management and the auditors) for the purpose of preparing or issuing an audit or credit review report or related work. The Committee is directly responsible for appointing, compensating and overseeing the work of the internal audit and credit review functions and they shall be directly accountable to and report directly to the Committee.
 2. If the functions are outsourced, in selecting a firm for the internal audit and or credit review functions for the Company, the Committee shall ensure that sufficient due diligence is performed, to include, without limitation, reviewing the firm and its staffs' experience, expertise, qualifications, available resources and independence.
 3. Review and monitor the independence, qualifications and performance of the internal audit and credit review firm(s) by, among other things.
 - a. Obtaining and reviewing a report from the firm performing internal audit and credit review services at least annually regarding (i) the firm's internal quality-control procedures, (ii) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more audits carried out by the firm, (iii) any steps taken to deal with any such issues, (iv) all relationships between the internal audit and credit review firm(s) and the Company, and (v) all significant relationships that could impair their independence in accordance with Institute of Internal Auditors professional standards;
 - b. Evaluating the independence, qualifications and performance of the internal audit or credit review firm(s) including considering (i) whether the firm's quality controls are adequate, (ii) whether any disclosed relationships or services may impair the objectivity and independence of the firm, and (iii) whether the experience, qualifications and independence of the senior members of the firm(s) are acceptable.
 4. Ensure that the internal audit and credit review function accomplishes the following items:
 - a. Develop and execute comprehensive internal audit and credit review plans and charters. These plans and charters must be presented to the Committee for approval on an annual basis and ensure adequate resources are available. Periodically, the Director of Internal Audit and Credit Review shall provide a status of the annual plans and sufficiency of resources to the Committee. In addition, any deviations from the

plans and or resource issues shall be reported to and receive the approval from the Committee.

- b. Examine the effectiveness of all levels of management in their stewardship of Company resources and in their compliance with established policies and procedures, and with all applicable laws. Compliance with consumer laws and regulations will be coordinated with CPB's Compliance Management System and results will be reported to the Committee on a periodic basis.
- c. When necessary, recommend improvement of management controls designed to safeguard Company resources, ensure accurate reporting and ensure compliance with all applicable laws. Compliance with consumer laws and regulations will be coordinated with CPB's Compliance Management System and results will be reported to the Committee on a periodic basis..
- d. Review policies, procedures, records and other documentation for their adequacy to accomplish intended objectives.
- e. Provide reports to the Committee on the results of internal audits and or credit review examinations and meet with the Committee regarding such reports and management's responses thereto. If not included in the outsourcing parties statement of work or Report to the Audit Committee, the level of assurance that their work may be relied upon shall be discussed with the Committee.
- f. Appraise the adequacy of actions taken by management to correct reported deficiencies, accept adequate corrective action with supporting documentation, reject inadequate corrective action, and continue reviews on inadequate corrective action until adequate corrective action or some other alternate acceptable action is taken or the matter is otherwise satisfactorily resolved.
- g. Conduct special examinations at the request of management, the Committee or the Board.
- h. Provide advice and opinions at the request of management regarding management controls, provided, however, that the internal auditors or credit review personnel shall not participate in any decision-making process or in the implementation of any management decision.
- i. With regards to all internal audits or credit review examinations ensure all engagement personnel, including representatives of any outsourcing firms are independent and have the appropriate experience.
- j. If significant internal audit activities are maintained in-house, obtain a Quality Assurance Improvement Program review in accordance with Institute of Internal Auditing Professional Standards.

Internal audit or credit review firms shall not have any authority to approve transactions of any nature, nor may they administer or supervise any Company function or operation.

5. Pre-approve all special internal audit or credit review services not included in the annual internal audit or credit review budget to be performed by outside auditors or consultants for the Company or any of its subsidiaries.
6. Ensure that the internal audit and credit review firms have access to all necessary Company resources and personnel. Contingency plans for significant firms should be maintained, periodically reviewed and updated when necessary
7. Instruct the internal audit and credit review firms to communicate directly to the Committee, any disputes with management, or any problems or difficulties encountered in connection with the scheduling, conducting or completing any audit or review.
8. Obtain from the internal audit firm any reports required to be furnished to the Committee under all applicable laws.
9. Review all reports prepared by the internal audit or credit review functions for or on behalf of the Company and/or management, and any management responses thereto.
10. Determine and approve the fees and other compensation paid to the internal audit and credit review firm(s), outside auditors, or consultants.
11. Discharge and terminate the internal audit or credit review firms or the Director of Internal Audit and Credit Review when circumstances warrant.
12. The Director of Internal Audit and Credit Review shall have the following responsibilities and roles:
 - a. On an annual basis, perform a risk assessment in coordination with representatives from the firm(s) performing internal audit and/or credit review examinations and present the risk assessment to the Committee for approval along with the upcoming year's annual internal audit and credit review plan and budgets.
 - b. Periodically update the risk assessments to reflect changes to the system of internal control or work processes, and to incorporate new lines of business.
 - c. To ensure independence, the Director of Internal Audit and Credit Review should not assume a business line management role over control activities, such as approving or implementing operating policies or procedures.
 - d. The Director of Internal Audit and Credit Review is responsible for managing internal staff and any firm(s) hired to perform internal audit or credit review functions and maintaining appropriate documentation. This includes approving the audit scope, annual plan and procedures to be performed and the results of the outsourced internal audit and credit review work, including the findings, conclusions and recommendations. The outsourcing firm(s) may report these results jointly with the Director of Internal Audit and Credit Review to the Committee. The type of assurances that can be relied upon will be communicated to Management and the Audit Committee.
 - e. With respect to all internal audit and credit review functions, the Director of Internal Audit and Credit Review will report directly to the Committee or other designated committee, as needed. The Committee will be responsible

for the Director's hiring, duties and responsibilities, performance evaluation, annual compensation, maintenance of contingency and succession plans and removal.

- f. Coordinate the internal audit and credit review functions with other monitoring activities of the Company (i.e., risk management, compliance, security, business continuity, legal and external auditors) to ensure resources are used effectively and efficiently.
 13. Include in the Internal Audit Charter the responsibility for the internal audit function to report directly to the Committee any suspected fraud involving management or employees who are significantly involved in the internal controls of the Company. Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the audit committee of the results on a timely basis.
 14. As needed, the Director of Internal Audit and Credit Review and internal audit and credit review personnel shall meet privately with the Committee to discuss sensitive issues.
 15. Annually, the internal audit and credit review function shall provide a summary report of the internal audit and credit review activities.
 16. The Director of Internal Audit and Credit Review shall work with the Committee to ensure it meets its responsibilities by monitoring the committee's activities, including developing and maintaining a schedule and/or checklist to monitor the fulfillment of the Committee's responsibilities. This shall include assisting with the committee agenda, distribution of materials and documentation of the minutes. Ensure that the materials and information are sufficient for the committee to fulfill their responsibilities.
- F. Compliance Oversight. The Committee will conduct the following oversight activities. Activities related to compliance with consumer laws and regulations will be monitored and reported directly to the Committee on a periodic basis.
1. Receive, investigate and otherwise handle complaints of an accounting, auditing or internal control nature, pursuant to the Company's Complaint Policy, and in accordance with all applicable laws. On at least an annual basis, review and recommend to the Board approval of, the Complaint Policy and any changes thereto.
 2. Determine conflicts of interest pursuant to the Company's Code of Conduct & Ethics, and Code of Conduct & Ethics for Senior Financial Officers, and in accordance with all applicable laws. On at least an annual basis, review and recommend to the Board approval of, the Code of Conduct & Ethics, and Code of Conduct & Ethics for Senior Financial Officers and any changes thereto.
 3. Review and evaluate all related party transactions that are material to the financial statements.
 4. Discuss with management and the independent and internal auditors, including the Director of Internal Audit and Credit Review, any correspondence, complaints, inquiries, investigations or reports, from regulators, governmental

agencies, or others, which raise material issues regarding the Company's financial statements or accounting policies or which result in substantial non-compliance with the Company's Code of Conduct & Ethics or Code of Conduct & Ethics for Senior Financial Officers.

5. Discuss with the Company's General Counsel legal matters that may have a significant adverse impact on the Company.

G. General. The Committee will also accomplish the following:

1. Regularly report to the Board on the Committee's activities and seek Board ratification (exclusive of inside directors) of Committee actions as and when required and/or permitted by all applicable laws.
2. In addition to Committee minutes, maintain any other records of the Committee's activities.
3. Review and assess the quality and clarity of the information provided to the Committee and make recommendations to management as the Committee may deem appropriate for improving such materials.
4. Annually review the performance of the Committee.
5. Perform the duties required to be performed by the audit committee for any subsidiary of the Company that does not have its own audit committee, in each case to the extent permitted, and in the manner required, by applicable laws and regulations.
6. Perform any other activities in fulfillment of and consistent with the responsibilities of the Committee under this Charter, and as the Board may deem necessary or appropriate.

7. **Hiring of Employees or Former Employees of Independent Auditor.** The Company shall not employ in any position involved in financial reporting matters (to include, but not be limited to, the Company's chief executive officer, chief financial officer, and controller), any person who, within the one-year period preceding the commencement of the audit of the Company's current year's financial statements, was employed by the Company's independent auditor and performed more than ten hours of work on the independent audit or any other audit, review or attestation engagement for the Company. The Company may employ such person at any time in a position that does not involve a financial reporting oversight role.

8. **Amendment.** This Charter may only be amended by a majority of the Board. The Committee, may, however, in its best judgment and discretion, deviate from or alter, modify or change any of its responsibilities in this Charter if doing so would better serve the primary purpose and objectives of this Charter, provided such deviation is of a temporary nature, and provided further that the Chair informs the Board of such deviation and obtains Board approval of same.

9. **Limitations**

- A. It should be noted that the Committee's job is one of oversight as set forth in this Charter. It is not the duty of the Committee to prepare the Company's and its subsidiaries financial statements, to conduct audits, or to determine that the Company's and its subsidiaries financial statements are complete and accurate and are in accordance with GAAP. The Company's management is responsible for preparing the Company's and its subsidiaries financial statements and for maintaining internal controls, and the

independent auditors are responsible for auditing the financial statements. Nor is it the duty of the Committee to assure the Company's and its subsidiaries compliance with all applicable laws.

- B. In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by the following persons and groups.
1. One or more officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters presented.
 2. Accountants, auditors, counsel or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such person.
 3. Another committee of the Board as to matters within its designated authority which committee the Committee members reasonably believe to merit confidence.