Steele Bancorp, Inc.
Audit Committee Charter

This charter sets forth the commitments of both the Management teams and the Boards of Directors **of Steele Bancorp, Inc.** (the "Company"), its subsidiary, **Central Penn Bank & Trust Co**. (the "Bank"), and their affiliated companies, to establish and maintain an effective audit function. Except as otherwise specified, the "Company" shall refer to the Company, the Bank or the applicable affiliated company, or a combination of one or more thereof, as the context reasonably shall require.

I. Board Resolution

RESOLVED, that Thomas E. Beck is appointed as the Director of the Bank's **Audit/Risk Management** department. In this capacity, Mr. Beck will be independent of normal Company operations and will report directly to the Audit Committee of the Company's Board of Directors.

II. Purpose

The purpose of this Audit Committee Charter is to establish guidelines that the Board of Directors will follow in fulfilling the responsibility for oversight of the bank's internal control process. Oversight includes regulatory safety & soundness, financial reporting, compliance with laws, regulations and contractual obligations, corporate governance, and operational performance (including prevention and detection of fraud).

III. Audit Committee

The Board of Directors will appoint and maintain an Audit Committee, comprised of at least three directors. All of the members of the Audit Committee shall be independent. The Board of Directors will designate a Chairperson for the Audit Committee.

At least one member of the Committee, who also may be the Chairperson, will qualify as an "audit committee financial expert" as such term is defined under the regulations of the Securities and Exchange Commission and NASDAQ rules. If the Audit Committee does not have a member that qualifies as an "audit committee financial expert", the Company shall disclose that fact in its annual proxy statement and the reasons therefore, and shall have at least one member who shall have accounting or related financial management expertise as such terms are defined by regulations of the Securities and Exchange Commission and NASDAQ rules.

No Audit Committee member shall also be a member of the Bank's Trust Committee.

IV. Committee Meetings

The Audit Committee shall meet on a regular basis, and at least **four** times during each **12** month audit plan period. Additional meetings may be held upon the call of the Committee Chairperson, any two Committee members, or the bank's Audit/Risk Management Director. At all meetings, a majority of the total number of independent directors assigned to the Committee will constitute a quorum.

Members of the Committee shall meet separately, as necessary, with management, the independent registered public accounting firm, internal auditors, examiners, and other Board Committees.

V. Authority

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint and oversee the work of any registered public accounting firm engaged by the bank.
- Resolve any disagreements between management and the independent registered public accounting firm regarding financial reporting.
- Pre-approve all auditing, audit related, tax and other services. Between meetings of the Audit Committee, the Chairperson is authorized to review and, where consistent with this Charter, to pre-approve non-audit services proposed to be performed by the independent registered public accounting firm that are budgeted for fees of $25,000 or less. The Chairperson shall report any pre-approval decisions to the Audit Committee as soon as practicable and in any event at its next scheduled meeting.
- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from Company employees or external parties in the conduct of an investigation.
- Meet with Company officers, the independent registered public accounting firm, internal auditors, outside counsel, and others as necessary.
- Review and discuss with Management the disclosures contained in the Company's Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, and determine whether to recommend to the Board of Directors the Company's related financial statements be included in such reports.
- Be advised of the execution by the Corporation's Chief Executive Officer and Chief Financial Officer of the certifications required to accompany the filing of the Form 10-K and the Forms 10-Q, and any other information required to be disclosed to it in connection with the filing of such certifications, including (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and (ii) any fraud that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
- Review and discuss with Management the Company's earnings press releases, and financial information and earnings guidance provided to analysts and rating agencies prior to the release of the information and filing of a related Form 8-K.
- Review and discuss with Management any Registration Statements to be filed with the SEC in connection with a merger, stock issuance or registration of securities, including understanding any pro forma information that may be included in the filing.

VI. Responsibilities

<u>Audit Committee</u>

Through the Audit Committee, the Company's Board of Directors assumes ultimate responsibility for the audit function. The Audit Committee is responsible for:

- The independence of the audit function.
- Approval of an audit plan and periodic review of the status of the plan.
- Review of audit reports and related findings, recommendations, and management responses.
- Appointment of competent staff and/or outsourced vendor(s) to perform the internal audit function.

- Ensuring the audit function is granted full access to all Company records.
- Ensuring an annual <u>independent</u> audit of the Company's financial statements.

- Annual review of the Audit Policy
- Annual review of this Audit Committee Charter
- Annual review/assessment of the Audit Committee's composition

<u>Audit/Risk Management Director</u>

It is the intention of the Audit Committee that the Audit/Risk Management department functions independently from the operational areas of the Company. The department Director is ultimately responsible for developing and maintaining an effective audit program for the Company. The program will be designed to evaluate and test the Company's internal controls, operating policies and procedures, and the Company's accounting system, based on a risk assessment review, over an appropriate time cycle. This program will be approved by the Audit Committee and will be subject to review by the Audit Committee.

The following is a list of the department Director's day-to-day duties and responsibilities:

1. Oversee and perform audits and examinations of all the books, records, properties, securities and accounting procedures relating to banking and fiduciary activities at any time deemed appropriate.

2. Make recommendations to Management from time to time concerning the following:

   - Internal controls and safeguards.
   - The Company's accounting system.
   - Regulatory and legal compliance
   - Company policies and procedures.

3. Prepare and distribute audit reports to members of the Audit Committee and to Management.

4. Meet with the Audit Committee on a periodic basis to discuss audit reports, Management's corrective action plans, regulatory examinations, and other audit related issues.

5. Maintain audit work-papers and other relevant materials documenting the work performed.

The Director, or Audit/Risk Management department staff, do not have the authority to initiate or approve accounting transactions of any nature, nor do they have authority to administer or supervise any Company operational functions. Activities of these types are fundamentally inconsistent with the Company's audit/risk management function.

<u>Management</u>

The Company's Board of Directors delegates the responsibility of maintaining sound internal routines and controls to the Company's senior Management. As the Audit/Risk Management department reviews, tests, and reports on the Company's system of policies, procedures and controls, senior Management (or designated staff) will have the following responsibilities:

- Address each finding, comment, or recommendation made by the department, and determine what, if any, corrective action is necessary.

- Prepare a written response to the audit report, unless otherwise directed by the department Director. (Responses should include a description of the corrective actions to be taken or an explanation of why no action is considered necessary.)

- Submit written response within 45 days of receiving the audit report.

  (Note: All policy related comments, recommendations, or findings reported in an audit or examination will be addressed in a timeframe established by senior Management, but generally not more than 60 days from the time the report is delivered.)

Independent Registered Public Accounting Firm

An outside, independent audit of the Company's financial statements will be performed on an annual basis by the Company's independent registered public accounting firm. At the completion of the audit, the Audit Committee will expect the independent registered public accounting firm to issue a report containing their opinion of the Company's consolidated financial statements, including whether the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company, and the results of its operations and cash flows for the year, in conformity with generally accepted accounting principles (GAAP).

All findings of the independent registered public accounting firm be reported directly by such firm to the Audit Committee.

Whistleblower Authority

The Audit Committee will participate in the implementation of the Company's whistleblower policies and practices in accordance with the provisions of the Company's Whistleblower Policy, which are incorporated into this Charter by reference as if fully set forth herein.

VII. Audit/Risk Management Department Relationship with Company Management

The department Director and department staff will observe the following guidelines concerning relationships with senior Management of the Company:

- The department Director will keep fully apprised of senior Management's objectives for the Company. As much as possible, all internal audits will be conducted consistently with these objectives.

- A copy of all audit report results, along with Management responses, will be provided to the Company's Chief Executive Officer, who will review the reports and take action, along with other members of senior Management when it is appropriate and necessary to do so.

- The department Director will budget the activities of the Audit/Risk Management department so that costs are consistent with the risks involved for the Company.

VIII. Outsourcing

Internal audit work may be contracted to an outside third-party when the Audit Committee, upon consideration of the audit scope and related work, deems it necessary to require the utilization of external resources to complete the audit plan as approved. In outsourcing any work, a formal contract shall be requested, reviewed, and accepted as deemed appropriate. The contract will detail the services to be performed, specifically:

- Scope and frequency of work to be performed.
- The manner and frequency of reporting to the Director regarding the status of contract work.
- Details pertaining to the protocol for changing terms of the contract, especially expansion of audit work scope if significant issues are found.
- Specific wording indicating that audit reports are the property of the Company, that the organization will be provided with any copies of the related work papers it deems necessary, and that authorized employees will have reasonable and timely access to the work papers prepared by the vendor.
- Location of the audit reports and related work papers.
- Assurances that examiners will be granted immediate and full access to audit reports and related work papers prepared by the third-party vendor.
- Guidance on method for determining who bears cost of consequential damages arising from errors, omissions, and negligence.
- Specific wording that the third-party vendor performing audit functions on behalf of the Company must maintain independence as prescribed in the Interagency Policy Statement on Internal Audit Function and its Outsourcing (March 17, 2003).

IX. Audit Charter Review Dates

11/10/2025