

**POLICY 1650**  
**Approved March 25, 2025**  
**Audit Committee Charter**

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**I. PREFACE**

The Board of Directors (the “Board”) of BayFirst Financial Corp (the “Company”) has designated an Audit Committee (the “Committee”) and has adopted this Audit Committee Charter (“Charter”). .

**II. PURPOSE**

The primary purposes of the Committee are:

- Performing the Board's oversight responsibilities as they relate to the Company's accounting and financial reporting practices and audits of the financial statements, internal controls, and legal and regulatory compliance, including, among other things:
  - the quality and integrity of the Company's financial statements;
  - the quality of the Company's internal controls;
  - the Company's compliance with applicable laws and regulations;
  - the review of the independent auditors' qualifications and independence;
  - the performance of the Company's internal audit function and the Company's independent auditors; and
  - the application of the Company's code of Business Conduct and Ethics as established by management and the Board.
- Maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company's financial management, internal auditors, and independent auditors.

**III. Authority**

In the discharge of its duties and responsibilities, the Committee is empowered to:

- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation or otherwise in connection with the discharge of its duties and responsibilities.
- Obtain any information it requires from the officers and employees of the Company and its wholly-owned subsidiary, BayFirst National Bank (the “Bank”)—all of whom are directed to cooperate with the Committee's requests or external parties retained by the Committee.
- Meet with Company officers, independent auditors, or outside counsel, as necessary.

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- Ensure that the Company provide sufficient funding for compensation of the independent auditor and any outsourced internal auditor and obtain from the Company sufficient funding for retention of legal, accounting, and other advisors and for payment of the Committee's administrative expenses.
- Institute and oversee special investigations, as needed.
- Have full access to the Company's books, records, facilities, personnel, and outside consultants, as needed.

**IV. COMPOSITION AND QUALIFICATIONS**

The Committee shall be appointed by the Board and shall be comprised of three or more Directors, each of whom shall meet the independence and other qualification requirements of the Sarbanes-Oxley Act of 2002, Securities Exchange Act of 1934 Rule 10A-3, the Nasdaq Marketplace Rules, and all other applicable laws and regulations (i.e., non-employee directors, who are free from any relationship that would interfere with the exercise of his or her independent judgment). Each member of the Committee shall be financially literate, be able to read and understand the Company's financial statements and have a sufficient understanding of financial reporting and systems of internal controls to properly exercise oversight. In addition, at least one member of the Committee shall be qualified as an "audit committee financial expert" as such term is defined by the SEC. All members must be able to devote significant commitments of time in the preparation for and participation in Committee meetings.

**V. RESPONSIBILITIES**

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing the annual financial statements. The Board and Committee recognize that Company management, including the internal audit staff, and the independent auditor have more time, knowledge and detailed information about the Company than do the Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any certification as to the work of any auditor.

In such a manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

**A. Oversee the Engagement of the Independent Auditor**

The Company's independent auditors are ultimately accountable to the Committee, which has the direct authority and responsibility for the appointment, retention, compensation, evaluation, and, where appropriate, termination and replacement of the independent auditors. In connection with its oversight of the external audit coverage, the Committee shall:

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- Have authority to appoint and replace the independent auditors (subject to ratification by the shareholders, if deemed advisable by the Board);
- Have authority to approve the engagement letter and the fees to be paid to the independent auditors;
- Pre-approve all audit and non-audit services to be performed by the independent auditors and the related fees for such services other than prohibited non-auditing services promulgated under the rules and regulations of the SEC (excluding inadvertent *de minimus* exceptions set forth in the Sarbanes-Oxley Act of 2002 and the SEC rules and regulations);
- Obtain confirmation and assurance as to the independent auditors' independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent auditors and the Company. The Committee is responsible for actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for taking appropriate action to oversee the independence of the independent auditors;
- At least annually, obtain and review a report by the independent auditors describing: (a) the firm's internal quality-control procedures; (b) any material issues raised by the most recent internal 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 independent audits carried out by the firm, and any steps taken to deal with any such issues; and (c) to assess the independent auditors' independence, and all relationships between the independent auditors and the Company;
- Meet with the independent auditors prior to the annual audit to discuss planning and staffing of the audit;
- Review and evaluate the performance of the independent auditors, as the basis for a decision to reappoint or replace the independent auditors;
- Set clear hiring policies for employees or former employees of the independent auditors, including, but not limited to, what is required by all applicable laws, rules, and regulations;
- Assure regular rotation of the lead audit partner, as required by the Act, and consider whether rotation of the independent auditing firm is required to ensure independence; and
- Discuss with the independent auditors the matters required to be discussed by AU Section 380 and the matters in the written disclosures required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Committee concerning independence.

**B. Oversee Internal Audit, Internal Controls and Risk Management**

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- Appoint a qualified employee to serve as the Services Manager, who will also hold the role of the Chief Risk Officer, supported by the Internal Audit Coordinator/Risk Analyst. The Chief Risk Officer reports directly to the Audit Committee solely for communicating internal audit issues and will have no managerial responsibility for the areas being audited and will oversee the outsourcing vendor's performance under the contract. Additionally, the Bank will be guided by the "Interagency Policy Statement on the Internal Audit Function and its Outsourcing" (March 17, 2013), as amended from time to time. The oversight includes:
  - Assisting with the annual risk assessments
  - Coordinating schedules
  - Management of reports
  - Assisting with communications
  - Reviewing, in consultation with management, the independent auditors and the senior internal auditing executive, the appointment or replacement and the plan and scope of internal audit activities
  - Reviewing internal audit activities, budget, and staffing.
  - Reviewing significant reports to management prepared by the internal auditing department and management's responses to such reports.
- Review and discuss with management (i) the Committee's evaluation of the Company's internal control structure and procedures for financial reporting, and at least quarterly management's conclusions as to the efficacy of such internal controls and procedures; (ii) any significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial reporting and any material changes in such internal controls and (iii) any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting;
- Review with the independent auditors, management, and the Chief Risk Officer the adequacy of the Company's internal controls, and any significant findings and recommendations with respect to such controls.
- Establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Discuss and recommend to the Board for adoption policies and guidelines to govern the process by which risk assessment and risk management is undertaken.
- Meet periodically with management to review and assess the Company's major financial risk exposures, and the manner in which such risks are being monitored, mitigated, and controlled.

**C. Oversee Financial Reporting and Auditing**

- Review and discuss with management, the Director of Independent Audit and the independent auditors the (i) financial statements and related footnotes to be included in the Company's Quarterly and Annual Reports (on Form 10-Q and Form 10-K, respectively); (ii) appropriateness of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Securities and Exchange Commission filings and the consistency of such discussion and analysis with the financial statements included in such filing; (iii) critical accounting policies and practices; (iv) alternative treatments of financial information under GAAP and (v) independent auditors' judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and estimates, and the clarity of the disclosures. With respect to Quarterly Reports on Form 10-Q, the Chair of the Committee or his or her designee may represent the entire Committee for the purposes of this review.
- If deemed appropriate after review and discussion, recommend that the Board-approved financial statements be included in the Company's Annual Report on Form 10-K.
- Review other sections of the Annual and Quarterly Reports and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review significant changes in accounting and auditing policies.
- Review with the independent auditors any problems or difficulties encountered in the course of their audit, including any changes in the scope of the planned audit work and any restrictions placed on the scope of such work and management's responses to such problems or difficulties.
- Resolve any differences in financial reporting between management and the independent auditors.
- Review reports required to be submitted by the independent auditor concerning: (a) all critical accounting policies and practices used; (b) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of such alternatives, and the accounting treatment preferred by the independent auditors; and (c) any other material written communication with management.
- Review: (a) 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; and (b) analyses prepared by management and/or the independent auditors setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements and the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- Discuss policies and procedures concerning earnings press releases and investor presentations and review the type and presentation of information to be included in such press releases or presentations (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP

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information), as well as financial information and earnings guidance provided to analysts and rating agencies.

- Review with management and the independent auditors all matters required to be communicated to the Committee under standards of the Public Company Accounting Oversight Board (PCAOB) and applicable provisions of 12 C.F.R. 363.
- Review with the independent auditors and the Chief Risk Officer the adequacy of the Company's internal controls, and any significant findings and recommendations with respect to such controls.

**D. Oversee Legal and Ethical Compliance**

- Review periodically with a member of executive management: (i) legal and regulatory matters that may have a material impact on the Company's financial statements, including any material reserves for legal contingencies and any related financial statement disclosure, and (ii) the scope and effectiveness of the Company's legal and regulatory compliance policies and programs.
- Review periodically and as needed with the Company's corporate counsel: (a) legal and regulatory matters which may have a material effect on the Company's financial statements; and (b) corporate compliance policies or codes of conduct;
- Review at least annually with management, including an executive officer, corporate counsel and the Chief Risk Officer, compliance with the adequacy of and any requests for waivers under, the Company's code of business conduct and ethics, (including codes that apply to all employees as well as those applicable to directors and officers) and the Company's policies and procedures concerning trading in Company securities, and with regard to any approval or waiver under such code sought with respect to any executive officer or director.

**E. Report and Self-Evaluate**

- Oversee the preparation and approve all reports required or appropriate in the conduct of the Committee's responsibilities, including the report for inclusion in the Company's annual meeting proxy statement or Annual Report required by SEC rules.
- Conduct an annual self-evaluation of the performance of the Committee including a review of the adequacy of this Charter annually and recommend to the Board such amendments as the Committee deems appropriate.
- Report regularly to the Board on Committee findings, and any other matters the Committee deems appropriate or the Board requests and maintain minutes or other records of Committee meetings and activities.

**VII. MEETINGS**

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The Committee shall meet as frequently as circumstances require, but no less than quarterly. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. Management should be available to meet with the Committee to discuss the financial reports and statements that are being presented. Detailed minutes shall be kept of each Committee meeting. The Committee shall promptly inform the full Board of the actions taken or issues discussed at the meetings, along with providing a copy of the Committee meeting minutes.

A majority of the members of the entire Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent.

The Committee shall meet periodically (not less than annually) in separate executive session with each of the independent auditors and any member of executive management, only when circumstances require;