

**TRICO BANCSHARES AND TRI COUNTIES BANK  
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

(Adopted – February 25, 2021)

**A. Purpose**

The Audit Committee (the “Committee”) shall assist the Board of Directors of TriCo Bancshares and Tri Counties Bank (collectively, the “Company”) in fulfilling its oversight responsibilities. The Committee’s primary responsibilities are to oversee:

- the integrity of the Company’s financial statements, including the financial reporting process and systems of internal controls regarding finance, accounting, and legal and regulatory compliance;
- the Company’s compliance with legal and regulatory requirements;
- the independence, qualifications and performance of the Company’s financial executives, independent audit firm, and internal audit function;
- regulatory and compliance risks; in doing so, the Committee recognizes the responsibilities delegated to other committees by the Board and understands that the other Committees may emphasize specific risk-related monitoring through their respective activities; and
- the open communication among the independent audit firm, management, the internal audit function, and the Board of Directors.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company’s management and the independent audit firm, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent audit firm is responsible for auditing the Company’s financial statements and for reviewing the Company’s unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Committee to plan or conduct any risk assessment, test any internal controls, or to audit the Company’s financial statements; or to determine or certify that the such financial statements are complete, accurate, fairly presented or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent audit firm’s report.

**B. Structure and Meetings**

1. *Number.* The Committee shall consist of at least three members of the Board of Directors.
2. *Independence.* Except as otherwise permitted by the applicable rules of the NASDAQ

National Market System and Section 301 of the Sarbanes-Oxley Act of 2002 (the “Act”), each member of the Committee shall be “independent” as defined by such rules and Act. In addition, no member of the Committee shall have 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.

3. *Financial Literacy.* Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement and shall otherwise be financially literate; as such qualification is interpreted by the Company’s Board of Directors in its business judgment. At least two members of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board of Directors (in which case disclosure of such determination shall be made in the Company’s SEC periodic reports), at least two member of the Committee shall be a “Committee financial expert” as defined by the Act and applicable SEC rules.
4. *Industry Experience.* The Committee shall have a balance of qualified directors who possess knowledge of the industry and its critical risks commensurate with the Company’s size and complexity. The Company will provide the members of the Committee with annual continuing education opportunities and/or customized training with regard to risk oversight and management.
5. *Large Customers.* The Committee shall not include any large customers of the Company as determined by the Committee.
6. *Chair.* Unless the Board of Directors elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
7. *Compensation.* The compensation of the Committee members shall be as determined by the Board of Directors. No member of the Committee may receive any compensation from the Company other than regular director's fees and any fees for chairing a committee of the Board of Directors.
8. *Selection and Removal.* Members of the Committee shall be appointed by the Board of Directors. Unless otherwise determined by the Board, no member of the Committee may serve on the Committee of more than two other public companies. The Board of Directors may remove members from the Committee with or without cause.
9. *Meetings.* The Committee shall meet at least four times annually or more frequently as it deems necessary to perform its responsibilities. In addition, the Committee or its Chair shall communicate with management and the independent audit firm quarterly to review the Company’s financial statements and significant findings based upon the independent audit firm’s limited review procedures. The Committee shall keep records of its meetings

as it deems appropriate.

10. *Quorum*. The quorum for the Committee will be a majority of the members.
11. *Minutes*. Minutes will be prepared for each Committee meeting. Such minutes will be distributed to each member of the Committee and to the other members of the Board.
12. *Conflicts of Interest*. Committee members should adhere to the Company's code of conduct and any values and ethics established by the Company. It is the responsibility of the Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee. If there is any question as to whether Committee member(s) should recuse themselves from a vote, the Committee should vote to determine whether the member should recuse him or herself.

### **C. Responsibilities and Authority**

1. *General*. To fulfill its responsibilities the Committee shall:
  - Annually review this Charter and recommend any proposed changes to the Board of Directors.
  - Review and discuss with management and independent audit firm the Company's annual and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the matters about which Auditing Standard No. 1301 – Communications with Audit Committees requires discussion.
  - Discuss earnings press releases, including the type and presentation of the information, paying particular attention to any pro forma or adjusted non-GAAP information. Discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the types of presentations to be made).
  - Receive and review any disclosures from the Company's CEO and CFO made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data.
  - Oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.
  - Review and discuss generally with management and the independent audit firm the types of financial information and earnings guidance to be provided to analysts and rating agencies and to be disclosed in the Company's earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information).

- Consider annually whether it will recommend to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
- The Committee shall prepare for inclusion where necessary in a proxy or information statement of the Company relating to an annual meeting of security holders at which directors are to be elected (or special meeting or written consents in lieu of such meeting), the report described in Item 306 of Regulation S-K.
- The Committee shall direct the independent audit firm to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Committee and the Chief Financial Officer any matters identified in connection with the auditor review of interim financial information which are required to be discussed by Auditing Standard No. 1301 – Communications with Audit Committees and AU Section 722 - Interim Financial Information. The Committee shall direct management to advise the Committee in the event that the Company proposed to disclose interim financial information prior to completion of the independent audit firm's review of interim financial information.
- Review, with the Company's counsel, legal matters that could have a significant impact on the Company's financial statements.
- Conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.

## 2. *Oversight of Independent Audit Firm*

- *Selection.* The Committee shall be directly responsible for appointing, evaluating and, when necessary, terminating the independent audit firm. The Committee may, in its discretion, seek stockholder ratification of the independent audit firm it appoints.
- *Independence.* The Committee shall annually assess the independent audit firm's independence. The Committee shall obtain and review a report by the independent audit firm describing all relationships between the independent audit firm and the Company, including the disclosures required by the PCOAB's Ethics and Independence Rule 3526 - Communication with Committees Concerning Independence. The Committee shall engage in an active dialogue with the independent audit firm concerning any disclosed relationships or services that might impact the objectivity and independence of the firm. The Committee will also consider whether there should be a rotation of the head independent auditor.
- *Quality Control Report.* The Committee shall annually obtain and review a report by the independent audit firm describing:
  - the firm's internal quality control procedures; and

- any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by an 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.
- *Compensation.* The Committee shall be directly responsible for setting the compensation of the independent audit firm. The Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of the independent audit firm established by the Committee.
- *Preapproval of Services.* The Committee shall preapprove all auditing services, which may include providing comfort letters in connection with securities underwritings, and non-audit services (other than de minimus non-audit services as defined by the Act) to be provided to the Company by the independent audit firm. The Committee shall cause the Company to disclose in its SEC periodic reports the approval by the Committee of any non-audit services to be performed by the independent audit firm.
- *Oversight.* The independent audit firm shall report directly to the Committee and the Committee shall be directly responsible for oversight of the work of the independent audit firm, including resolution of disagreements between Company management and the independent audit firm regarding financial reports. The Committee shall, as necessary, obtain and review the reports required to be made by the independent audit firm pursuant to paragraph (k) of Section 10A of the Security Exchange Act of 1934 regarding:
  - critical accounting policies and practices;
  - alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent audit firm; and
  - other material written communications between the independent audit firm and Company management, such as any management letter or schedule of unadjusted differences.
- *Review of Financial Principals.* The Committee shall as necessary review with the independent audit firm:
  - audit problems or difficulties the independent audit firm encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent audit firm's activities or on access to requested information and any significant disagreements with management;

- major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
  - analyses prepared by management or the independent audit firm 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; and
  - the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company.
- *Private Session.* On a regular basis, meet separately with the members of the independent audit firm to discuss any matters that the Committee or independent audit firm believes should be discussed privately.

### 3. *Oversight of Internal Audit*

- *Internal Audit Function.* The Committee shall coordinate the Board of Director's oversight of the performance of the Company's internal audit function. The Committee shall approve the Internal Audit Charter annually.
- *Chief Auditor* Approved decisions regarding the appointment and removal of the chief auditor. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief auditor.
- *Audit Plan.* Approve the annual risk-based audit plan and all major changes to the plan. Review the internal audit activity's performance relative to plan.
- *Engagement:* Review internal audit reports and other communications to management, including management's action plans to address the results of internal audit engagements. Inquire of the Chief Auditor whether any significant matters exist as a result from in-process engagements.
- *Fraud:* Inquire of the chief auditor whether any evidence of fraud (whether or not material) has been identified during the internal audit engagements and evaluate what additional actions, if any, should be taken.
- *Budget & Resources.* Review with the chief auditor the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- *Performance Review.* At least annually, review the performance of the chief auditor and concur with the annual compensation and salary adjustment.
- *Assessment.* Review the effectiveness of the internal audit function, including conformance with the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* and the IIA Code of Ethics.

- *Quality Assurance and Improvement Program.* Ensure that the internal audit function has a quality assurance and improvement program (QAIP) and that the results of the periodic assessments are presented to the Committee. Also ensure an external quality assurance review is complete every five years.
- *Private Session.* On a regular basis, meet separately with the Chief Auditor to discuss any matters that the Committee or internal audit believes should be discussed privately.

#### 4. Risk Management

- *Committee Responsibilities.* The Committee's responsibilities pertaining to risk management are set forth in this Charter and do not extend to risk matters to the extent they are reported on to another committee of the Board.
- *Board Committees.* In consultation with the Risk Committee, oversee the division of risk-related responsibilities to each Board Committee, as clearly as possible, and determine that the oversight of any significant risk is not missed. In consultation with the Risk Committee, coordinate relations and communications with regard to risk among the various Committees.
- *Financial Risk.* Oversee and review with management to Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- *Regulatory Exams.* Review reports of examination by regulatory agencies; review any observations or communications by regulatory agencies and the results of internal or external analyses and reviews related to the Company's risks, risk management, or other matters within the scope of the Audit Committee's oversight responsibilities. Monitor and review management's response to any issues noted in such reports.
- *Compliance Risk Management.* Review and monitor the Compliance Risk Management Program, as well as the results of Compliance Monitoring reviews and related action items.
- *Monitor Trends and Risk Factors.* Understand risk likelihood and potential outcomes and monitor trends in those variables over time. Review the Company's internal and external financial and regulatory reports for proper disclosure of risks and risk factors.
- *Emerging Risks.* Continually obtain reasonable assurance from management that all known and emerging regulatory and compliance related risks have been identified and mitigated or managed. Review the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

- *Legal.* Monitor legal activity and risk by reviewing the status of pending and potential litigation and other legal matters that may reasonably be expected to present exposure for the Company at or above the approved risk tolerance levels.

#### 5. *Fraud*

- *Oversight.* Oversee management’s arrangements for the prevention and deterrence of fraud, ensuring appropriate action is taken against known perpetrators.
- *Challenge.* Challenge management and internal and external auditors to ensure the Company has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

#### 6. *Responsibility for Compliance*

- *Compliance Function.* The Committee shall coordinate the Board of Director’s oversight of the performance of the Company’s compliance function. The Committee shall approve the Compliance Risk Management Committee Charter annually.
- *Chief Compliance Officer.* Approved decisions regarding the appointment and removal of the chief compliance officer. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief compliance officer.
- *Compliance Plan.* Approve the annual risk-based compliance plan (including the adequacy of resources) and all major changes to the plan. Review the compliance department’s performance relative to plan.
- *Monitoring.* Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow up of any instances of noncompliance.
- *AML Program.* Review and discuss with management, at least annually, the effectiveness of the Company’s anti-money laundering compliance program (the “AML Program”).
- *Exams.* Review the findings of any compliance examinations by regulatory agencies, and any auditor observations.
- *Code of Conduct.* Review the process for communicating the code of conduct to Company personnel, and for monitoring compliance.
- *Updates.* Obtain regular updates from management and Company legal counsel regarding compliance matters.

#### 7. *Controls and Procedures*

- *Oversight.* The Committee shall coordinate the Board of Director’s oversight of the

Company's internal accounting controls, the Company's disclosure controls and procedures and the Company's code of business conduct and ethics. The Committee shall receive and review the reports of the CEO and CFO required by Section 302 of the Sarbanes-Oxley Act and Rule 13a-14 of the Exchange Act (i.e., the Certification of Disclosure in Annual and Quarterly Results).

- *Hiring Policies.* The Committee shall establish policies regarding the hiring of employees or former employees of the Company's independent audit firms.
- *Procedures for Complaints.* The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### **D. Other Responsibilities**

1. *Review Transactions.* The Committee shall review and preapprove all transactions between the Company and any officer, director or employee, or affiliate thereof, of the Company, or any other transaction required to be disclosed pursuant to Item 404 of SEC Regulation S-K.
2. *Board Update.* The Committee shall regularly update the Board of Directors regarding the Company's compliance with financial policies and procedures, the performance of the independent audit firm and the internal audit function, and the independence of the independent audit firm, and the Committee's performance of the responsibilities enumerated in this Charter.
3. *Shareholders.* Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
4. *Subcommittees.* The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to preapprove audit or non-audit services shall be presented to the full Committee at its next scheduled meeting.
5. *Written Affirmation to NASDAQ.* The Committee shall annually direct the Company to prepare and provide to NASDAQ such written confirmations regarding the membership and operation of the Committee as NASDAQ rules require.
6. *Independent Advisors.* The Committee shall have the authority to engage independent legal, accounting, and other advisors as it deems necessary to carry out its responsibilities. These independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors as established by the Committee.

7. *Investigations.* The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
8. *Additional Powers.* The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.
9. *Annual Self-Evaluation.* The Committee shall annually evaluate its own performance and report the results of its evaluation to the Board of Directors.

**E. Subsidiaries**

- The Committee will review with management and the independent audit firm, the basis for the reports required to be filed by management and by the independent audit firm with the Federal Deposit Insurance Company pursuant to 12 C.F.R. Sections 363.2(a) and (b) and Sections 363.3(a) and (b), respectively, and 12 C.F.R. Section 363.4.
- The Committee will perform the duties required to be performed by the fiduciary audit committee for any bank subsidiary of the Company exercising fiduciary powers 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.
- The Committee will also oversee the audit of any employee benefit plan (for which the Company is either the fiduciary named in the plan with respect to administration, identified as such fiduciary pursuant to plan provisions, or delegated the responsibility and authority to administer the plan).
- The TriCo Bancshares Audit Committee and Tri Counties Bank Audit Committee may meet simultaneously and collectively as one, or may hold separate sessions, if necessary, to address issues that are relevant to one entity but not the other, or to consider transactions among the entities or to address other matters where the entities 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 TriCo Bancshares and those of Tri Counties Bank or the Company's other direct or indirect subsidiaries in order to confirm that appropriate procedures are established for addressing any such potential conflict and for promoting compliance with the Company's policies regarding Sections 23A and 23B of the Federal Reserve Act.