

## **Audit Committee Charter of the Board of Directors of Flushing Bank**

### **Purpose**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Flushing Bank (the “Bank”) has been established to assist the Board in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the systems and processes of internal control, compliance and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management and the internal and external auditors. To effectively perform his or her role, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as the Bank’s business, operations and risks.

### **Membership**

The Committee will be comprised of three or more directors as determined by the Board, each of whom will be “independent” within the meaning of the rules applicable to companies quoted on the Nasdaq National Market. Committee members will serve at the pleasure of the Board. A Committee Chairman (the “Chair”) will be designated by the Board. All Committee members will have, at a minimum, a working familiarity with basic finance and accounting practices. The Board will endeavor to appoint at least two Committee members that are “audit committee financial experts” as that term is defined by the Securities and Exchange Commission (the “SEC”). Committee members may enhance their understanding of finance and accounting through educational programs offered by the Bank, Flushing Financial Corporation or an outside consultant.

### **Meetings and Procedures**

Meetings of the Committee will be held not less frequently than quarterly. Additional meetings may occur as the Committee or its Chair or the Chairman of the Board deem advisable. In furtherance of its purpose, the Committee will provide sufficient opportunity for the external auditors, the Chief Audit Officer and management to meet with the Committee in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately. The Committee will cause to be kept adequate minutes of all its proceedings and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. The Committee is governed by the same rules regarding meetings (including meetings in person or by other means of communication through which all persons participating in the meeting can hear each other), action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with this Charter, the Bylaws of the Bank, or the laws of the State of New York.

The actions of the Committee require a quorum, and the presence, in person or by other means of communication through which all persons participating in the meeting can hear each other and a majority of the Committee members, shall constitute a quorum. The action of a majority of those present, at a meeting at which a quorum is attained shall be considered an act of the Committee.

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## **Authority**

The Committee will have the sole authority to appoint or replace the internal auditor and the external auditor of the Bank. The Committee will be directly responsible for the compensation and oversight of the work of the Bank's internal and external auditors (including the resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor will report directly to the Committee.

The Committee will have the authority to engage independent counsel and other advisers, as it deems necessary to carry out its responsibilities. The Bank will provide for appropriate funding, as determined by the Committee, for payment of compensation to the external auditor engaged by the Bank for the purpose of rendering or issuing an audit report and to any advisers engaged by the Committee.

## **Duties and Responsibilities**

The Committee shall have and may exercise all the powers and authority set forth in this Charter. This Charter is intended to serve as a guide for the Committee, with the understanding that the Committee may carry out additional functions and adopt other policies and procedures as may be appropriate in light of changing business, legislative, regulatory and other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.

The principal duties, responsibilities and functions of the Committee are as follows:

### **A. Internal Control**

1. Require that the external auditors, internal auditors and management keep the Committee informed about any perceived fraud, illegal acts, deficiencies in internal control, and similar matters.
2. Consider whether internal control recommendations made by internal and external auditors have been implemented by management.
3. Determine the extent to which internal and external auditors review (i) computer systems and applications, (ii) the security of such systems and applications, and (iii) the contingency plan for processing financial information in the event of a systems breakdown.

### **B. Financial Reporting**

1. Meet with management and the external auditors to review annual and quarterly financial statements, issues related thereto and the results of the external auditors' annual audit or quarterly review, as the case may be.
2. Ask management and the internal and external auditors about significant risks and exposures and the plans to minimize such risks.
3. Consider significant judgments, including those made as to asset and liability valuation, loan losses or the selection and application of accounting principles.
4. Review management's disposition of proposed audit adjustments identified by the external auditors.

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5. Require that the external auditors communicate their judgment regarding the integrity and quality of the financial statements to the Committee and review, upon receipt, the report (oral or written) of the external auditors on:
  - All critical accounting policies and practices
  - All alternative accounting treatments within GAAP for policies and practices related to material items that have been discussed with management (including ramifications of the use of such alternative treatments and disclosures, and the treatment preferred by the accounting firm)
  - Material written communications between the accounting firm and management, such as any management letter or schedule of unadjusted audit differences
6. To gain insight into the fairness of the statements and disclosures, obtain views and, where appropriate, explanations from management and from the internal and external auditors on whether:
  - GAAP have been consistently applied
  - There are any significant or unusual events or transactions
  - The Bank's financial and operating controls are functioning effectively
  - The financial statements contain adequate and appropriate disclosures
7. Review disclosures, if any, made to the Committee by the Bank's disclosure committee or, in connection with their certification of periodic reports, the CEO and CFO.

#### C. Internal Audit

The Chief Audit Officer (CAO) will report functionally to the Committee and administratively (i.e., day-to-day operations) to the President and CEO. To establish, maintain, and assure that the Internal Audit Department has sufficient authority to fulfill its duties, the Committee will:

1. Approve the Internal Audit Department Charter
2. Approve the risk-based Internal Audit Plan
3. Approve the Internal Audit budget and resources necessary to achieve the annual Audit Plan objectives
4. Receive communications from the CAO on the Internal Audit Department's performance related to the Audit Plan and other matters.
5. Approve decisions regarding the appointment or removal of the CAO.
6. Approve the compensation of the CAO.
7. Make appropriate inquiries of management and the CAO to determine whether there is inappropriate scope or resource limitations.

#### D. External Audit

1. Review the external auditors proposed audit scope and approach.
2. Review the performance of the external auditors.
3. Obtain from the external auditors and review the confirmation required to be provided by the external auditors as to their independence in accordance with professional standards.
4. Ensure the 5-year rotation of audit lead and concurring partners as required by law or best practices.
5. Recommend to the Board policies for the Bank's hiring of current or former employees of the external auditor who served as members of the Bank's audit engagement team.

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6. Pre-approve, on a case-by-case basis, all audit, review or attest services and permitted non-audit services (including the fee arrangements and terms in respect of such services) to be performed by the external auditors for the Bank, other than a de minimus amount of non-audit services not to exceed, in the aggregate, 5% of total revenues paid to the external auditors during the fiscal year that were not known as non-audit services at the time of the engagement and that are promptly made known to the Committee and approved by the Committee prior to completion of the audit.

E. Risk Assessment

1. In conjunction with the Risk and Compliance Committee, discuss the Bank's policies with respect to risk assessment and risk management to ensure that the CEO and senior management of the Bank assess and manage the Bank's exposure to risk.
2. In conjunction with the Risk and Compliance Committee, discuss guidelines and policies to govern the Bank's risk assessment and risk management processes.
3. In conjunction with the Risk and Compliance Committee, discuss the Bank's major financial risk exposures and the steps management has taken to monitor and control such exposures.

F. Other Responsibilities

1. Make any reports required by the Federal Deposit Insurance Corporation or the New York State Department of Financial Services.
2. Establish procedures for the receipt, retention and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
3. Require that significant findings and recommendations made by the internal and external auditors are received and discussed on a timely basis.
4. Perform other oversight functions as requested by the full Board.
5. Periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct internal control or other audits, or to ascertain the structure of internal controls, or to determine that the Bank's financial statements are complete and accurate and are in accordance with Generally Accepted Accounting Principles. This is the responsibility of management and the independent external auditor. Nor is it the duty of the Committee to conduct investigations or to resolve disagreements, if any, between management and the independent external auditors.

### **Reporting of Committee Activities to the Board of Directors**

The Chair of the Committee will report its activities and its recommendations for action to the Board at the Board's meeting subsequent to the meeting of the Committee and as otherwise requested by the Chairman of the Board.

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The Committee shall perform such other functions and have such other powers as may be necessary, convenient or appropriate for the efficient discharge of the foregoing. The Committee shall review and reassess this Charter from time to time and propose any recommended changes to the Board for its consideration. The Board may amend this Charter, from time to time.

Approved by the Audit Committee: February 23, 2023.