

SOUTHERN STATES BANCSHARES, INC.

**CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

March 17, 2021

I. Purpose

A. General.

The purpose of the Audit Committee (the “Committee”) is to oversee the accounting and financial reporting processes of Southern States Bancshares, Inc. (together with its subsidiaries, the “Company”) and the audits of the financial statements of the Company, and to assist the Board of Directors (the “Board”) of the Company in fulfilling the Board’s oversight responsibilities relating to: (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the qualifications, independence and performance of the Company’s independent registered public accounting firm (“independent auditor”), (4) the design and implementation of the Company’s internal audit function and, once such function is established, the performance of such internal audit function, and (5) any other responsibilities delegated by the Board.¹ The Committee shall prepare the disclosure required by Regulation S-K Item 407(d)(3)(i) and any successor or similar requirement (the “audit committee report”) for inclusion in the Company’s proxy statement.

The Committee shall also act as the audit committee of the board of directors of its subsidiary Southern States Bank (the “Bank”). Unless the context requires otherwise, references to the Company in this Charter include the Bank.

B. Relationship to Other Groups.

1. *Allocation Of Responsibilities.* The Committee’s primary roles are to oversee the financial reporting and disclosure process and to discharge such other functions as are assigned by law, the Company’s organizational documents, or the Board. To fulfill its

¹ Note: NASDAQ does not specifically require or recommend an internal audit function. However, implementing an internal audit function will better equip the Company to comply with the “internal control” requirements of Sarbanes-Oxley, Section 404. Under Section 404, an EGC must provide management’s assessment of internal controls over financial reporting beginning with the second Form 10-K following the IPO. If the Company does not implement an internal audit function, this draft Charter should be revised accordingly. Either way, to effectively oversee a company’s accounting and financial reporting processes and annual audit pursuant to NASDAQ Listing Rule 5605(c)(1)(C), the Audit Committee should be involved with the internal audit/control function, whether by an internal department or outsourced to a third-party provider,

obligations, the Committee relies on the Company's management for the preparation of the Company's financial statements and for the compliance of such financial statements with U.S. generally accepted accounting principles ("GAAP") and the Securities and Exchange Commission ("SEC") accounting requirements, for establishing and maintaining effective disclosure controls and procedures and internal controls, including internal control over financial reporting, and for ensuring the Company's compliance with applicable laws and regulations. The Company's management is responsible for preparing the Company's financial statements in accordance with 12 C.F.R. Part 363 and other applicable laws and regulations. The Company's independent auditor is responsible for auditing the Company's financial statements, for reviewing the Company's unaudited interim financial statements and, once the Company's status as an emerging growth company ends, for auditing the effectiveness of the Company's internal control over financial reporting. Such financial statements will be prepared in accordance with 12 C.F.R. Part 363 and other applicable laws and regulations. The Company's internal auditor is responsible for providing management and the Committee with ongoing assessments of the Company's risk management processes and systems of internal control. The functions of the Committee are not intended to duplicate, certify or guaranty the activities of management, the Company's independent auditor or the internal auditor.

2. *Accountability of the Auditors.* The Committee has the ultimate authority and responsibility to select, evaluate the performance of, and, if necessary, replace the independent auditor and the internal auditor. The independent auditor and internal auditor shall be advised that they report directly to and are ultimately accountable to the Committee.

3. *Communication.* There shall be open communication among management, the independent auditor, the internal auditor and the Committee. The Committee shall make regular reports to the Board concerning the activities and recommendations of the Committee.

4. *Access to Company Records and Personnel.* The Committee shall have full access to the Auditors as well as the Company's other directors, management and personnel, as well as all Company books, records, facilities, personnel and outside advisors. The Committee may request that any officer or employee of the Company, the Company's independent auditor or the Company's internal auditor attend a meeting of the Committee, or meet with any member of or consultants to the Committee, as the Committee deems necessary or appropriate. The Committee is authorized to conduct investigations, and to retain, at the expense of the Company, independent legal, accounting, financial, governance, or other professional advisers selected by the Committee, for any matters relating to the purposes of the Committee.

II. Composition

The Committee shall be comprised of three or more directors appointed by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board shall appoint a Chairperson of the Committee. The Board may appoint or remove, with or without cause, any member of the Committee and fill any vacancies on the Committee. The Committee may form and delegate authority to subcommittees, when appropriate.

Each member of the Committee shall meet the independence requirements for directors generally, and for audit committee members specifically, or other qualifications required from time to time by the NASDAQ Stock Market (“NASDAQ”), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the SEC, including Rule 10A-3 under the Exchange Act. No member of the Committee shall have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

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, in accordance with NASDAQ corporate governance listing standards. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication, in accordance with NASDAQ corporate governance listing standards. A member who qualifies as an “audit committee financial expert” in accordance with the rules and regulations of the SEC is presumed to qualify as financially sophisticated.

III. Meetings

The Committee shall meet at least quarterly, or more frequently if the Committee determines it to be necessary or appropriate. Meetings of the Committee shall be governed pursuant to the By-Laws. The Committee shall meet separately, periodically, with management, the independent auditors and the internal auditors.

The Chairperson of the Committee (or his or her designee from the Committee) shall preside at each meeting and, in consultation with the other members of the Committee, shall set the agenda for each meeting. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide information as the Committee requests, and the participation of such guests shall be governed by any guidelines or procedures that may be adopted from time to time by the Committee or the Board. The Committee reserves the right in its discretion to meet at any time in executive session. The Committee shall maintain written minutes of all its meetings and provide a copy of all such minutes to every member of the Board.

IV. Authority and Responsibilities

Subject to the limitations set forth in this Charter and to applicable laws, rules, regulations and standards, the Committee shall have the following authority and responsibilities:

A. Activities and Powers Relating to the Design and Implementation of the Internal Audit Function.

1. *Periodic Meetings Regarding the Design and Implementation of the Internal Audit Function.* The Committee shall meet periodically with the personnel of the Company primarily responsible for designing and implementing the internal audit function.

2. ***Review with Independent Auditor.*** The Committee shall review and discuss with the Company's independent auditor the Company's plans for implementing the internal audit function, including management's plans for a budget to conduct the internal audit, and the staffing and responsibilities of the internal audit function.

3. ***Meetings with the Board Regarding the Design and Implementation of the Internal Audit Function.*** The Committee shall meet periodically with the Board to review and discuss the design and implementation of the internal audit function.

B. Activities and Powers Relating to the Audits of the Independent Auditor and the Internal Auditor.

1. ***Engagement of Auditors.*** The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and the independent auditor shall report directly to the Committee.

2. ***Planning the Independent Auditor Audit and Internal Audit.*** In connection with its oversight functions, the Committee shall monitor the planning of the independent auditor's audits of the Company's financial statements and, after the Company ceases to be an emerging growth company, audits of the Company's internal control over financial reporting, and shall also monitor the internal audit function planning and process, including taking the following actions:

a. select, retain, oversee and approve the compensation, including all engagement fees and terms, of the independent auditor, including selection and evaluation of the lead audit partner, and terminate the Company's independent auditors, if necessary;

b. select, retain, oversee and approve the compensation, including all engagement fees and terms, of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and terminate such accounting firm, if necessary;

c. preapprove all audit services, audit-related services and other services permitted by law and Committee policy (including the fees and terms of such services) to be performed for the Company by the independent auditor or other registered public accounting firms, subject to the de minimis exception for services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit; provided, however, that the Committee shall not:

i. engage the independent auditor for non-audit services prohibited by law or regulation or that would impair the independence of the independent auditor as described in Section 210.2-01(c)(4) of SEC Regulation S-X or any successor rules or regulations; or

ii. engage an accounting firm to perform audit, review or attest services unless (1) such accounting firm has confirmed to the Committee that it is independent within the meaning of SEC Regulation S-X and other applicable SEC rules; and (2) the audit partners on such engagement are in compliance with the audit partner rotation requirements of applicable SEC and PCAOB rules and regulations and applicable rules of NASDAQ;

d. as and if the Committee deems appropriate, form and delegate authority to subcommittees consisting of one or more members, or delegate authority to the Chairperson of the Committee, including the authority to grant preapprovals of permitted services, provided that decisions of such subcommittees or the Chairperson to grant preapprovals shall be presented to the full Committee for ratification at its next scheduled meeting;

e. select, retain and approve the compensation of the internal auditor and preapprove all services permitted by law and Committee policy (including the fees and terms of such services) to be performed for the Company by any internal audit firm;

f. discuss with the independent auditor and the internal audit firm, if applicable, the nature and amount of fees relating to services performed for the Company;

g. confirm with the independent auditor that its services do not impair the independence of the independent auditor under applicable professional standards and regulatory requirements;

h. oversee the rotation of the lead audit partner and concurring audit partner every five years as required in order to maintain the independence of the independent auditor;

i. discuss with the independent auditor and internal auditor the scope and comprehensiveness of their respective audit plans prior to their respective audits; and

j. discuss with the independent auditor and internal auditor the results of their processes to assess risk in the context of their respective audits.

3. *Review of the Audit of the Independent Auditor.* The Committee shall review the results of the annual audits of the independent auditor with the independent auditor and shall:

a. obtain and review timely reports by the independent auditor describing:

i. all critical accounting policies and practices used in the audit and, once the Company's status as an emerging growth company ends, all

critical audit matters as provided in Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard 3101;²

ii. all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

iii. other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;

iv. at least annually, the independent auditor’s internal quality-control procedures;

v. at least annually, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken to deal with any such issues; and

vi. at least annually, all relationships between the independent auditor and the Company. The Company shall also discuss with the independent auditor the potential effects of those relationships on independence and obtain a written affirmation that the independent auditor is independent, as required by PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, as may be modified or supplemented from time to time;

b. meet to review and discuss the Company’s audited financial statements, quarterly financial statements and related footnotes with the independent auditor and management, including the form of audit opinion to be issued by the independent auditor on the financial statements and the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s annual report on Form 10-K or quarterly report on 10-Q, as well as any significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management and any other matters required by applicable accounting rules, before such forms are filed with the SEC;

² Note: Once the Company loses its EGC status, the Company will be subject to the PCAOB’s new Auditing Standard 3101, pursuant to which the Company’s auditor’s report must include Critical Audit Matters (“CAMs”), which are defined as any matter arising from the audit that (i) was required to be or actually was communicated to the Audit Committee; (ii) related to accounts or disclosures that are material to the financial statements; and (iii) involved especially challenging, subjective, or complete auditor judgment. Once the Company does lose its EGC status, the Company should consider adding CAMs disclosure to this section of the Charter.

c. based on the Committee's review of the audited financial statements, and communications from the independent auditors relating to the audit and the auditor's independence, determine whether to recommend to the Board that the audited financial statements be included in the Company's annual report on Form 10-K for the last fiscal year for filing with the SEC;

d. produce the audit committee report required to be included in the Company's annual proxy statement;

e. when applicable, review management's process for and report on its assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year and the independent auditor's report on the effectiveness of internal control over financial reporting;

f. review with management; the independent auditor and, once established, the internal auditor the following:

i. the effectiveness of internal control over financial reporting, including any significant deficiencies or material weaknesses;

ii. any significant changes in internal control over financial reporting; and

iii. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

g. review and discuss with management, the independent auditor and, once established, the internal auditor, any guidelines and policies relating to risk assessment and risk management, and the steps management has taken to monitor and control the Company's major financial risk exposures;

h. review with the independent auditor any audit problems, difficulties or deficiencies and management's responses thereto, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management, and the Committee shall resolve any disagreements between the independent auditors and management regarding financial reporting;

i. review with management and the independent auditor the accounting implications of significant new transactions;

j. review the extent to which the Company has implemented changes and improvements in financial and accounting practices or internal controls that the independent auditor previously recommended or the Committee previously approved, and any special audit Steps taken in light of any control deficiencies noted;

k. review and discuss with the independent auditor (i) the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company, and (ii) whether any member of the Committee has concerns regarding relationships or transactions with related parties and, if so, the substance of those concerns;

l. review and discuss with the independent auditor the independent auditor's evaluation of the Company's identification of, accounting for, and disclosure of, its relationships and transactions with related parties and other significant matters arising from the audit regarding the Company's relationships and transactions with related parties;

m. review with management and the independent auditor any communications 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 independent auditor to the Company;

n. review with management and the independent auditor (i) 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; (ii) analyses prepared by management and/or the independent auditor 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; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;

o. discuss with the independent auditor its views regarding the completeness and clarity of the Company's financial disclosures, the quality of the Company's accounting principles as applied, the underlying estimates and other significant judgments that management made in preparing the financial statements, the compatibility of the Company's principles and judgments with prevailing practices and standards and, to the extent permitted by its professional standards, its assessment of the overall degree of quality of the Company's reported financial results based on the results of its audits;

p. discuss with the independent auditor the nature and amount of all adjustments resulting from its audit, whether recorded by the Company or not, and discuss with management the reasons why any unrecorded adjustments were not included in results for the period; and

q. discuss with the independent auditor any other matters required to be discussed by PCAOB Auditing Standard No. 1301, *Communications with Audit Committees*, and Auditing Standard No. 2410, *Related Parties*, that have not otherwise been discussed.

4. *Review of the Audits of the Internal Auditor.* The Committee shall consider and review with management and, once established, the internal auditor:

- a.** significant findings during the course of each internal audit and management's responses thereto;
- b.** any difficulties encountered in the course of the internal audit, including any restriction on the scope of the internal auditor's work or access to required information;
- c.** any changes required in the planned scope of the audit plan;
- d.** the internal auditor's responsibilities, budget and staffing.

5. *Post-Audit Review Activities.* In connection with or following the completion of its review of the independent auditor's audit and internal auditor's audit, the Committee or its Chairperson may in its discretion meet with the independent auditor, internal auditor or management to discuss any changes required in the audit plans for future periods and any other appropriate matters regarding the audit process.

6. *Funding.* The Committee Shall determine the appropriate funding, which must be provided by the Company, for payment of:

- a.** reasonable compensation to the independent auditor and internal auditor;
- b.** reasonable compensation to any independent legal, accounting or other consultants employed by the Committee as the Committee determines is necessary or appropriate to carry out its duties; and
- c.** ordinary administrative expenses of the Committee that the Committee determines are necessary or appropriate in carrying out its duties.

C. Other Powers.

The Committee shall also:

- 1.** prepare and file with each of the FDIC, the appropriate Federal banking agency, and any appropriate State bank supervisor, two copies of its Part 363 Annual Report described in 12 C.F.R § 363.4;
- 2.** periodically receive reports as to (i) the results of regulatory exams and corrective actions, (ii) compliance reviews and required corrective actions, (iii) defective controls and control gaps, (iv) reports of ethics breaches, and (v) summaries of significant legal and regulatory developments;
- 3.** oversee the Company's compliance function and review the findings related to the Bank Secrecy Act and other laws, rules or regulations, and on an annual basis

receive a report from the management as to risk assessments for the Community Reinvestment Act and other consumer protection laws and regulations;

4. review and discuss with management the type and presentation of information to be included in earnings press releases (paying particular attention to any use of “pro forma,” or “adjusted” non-GAAP, information), as well as review any financial information and earnings guidance provided to analysts and rating agencies;

5. establish, oversee and periodically review 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;

6. establish clear hiring policies for employees or former employees of the current or former independent auditor that meet SEC regulations and applicable stock exchange listing standards;

7. discuss with management the effectiveness of, and if necessary, recommend changes and improvements in, the Company’s, disclosure controls and procedures, and disclosure policy; communicate recommended changes and improvements to management and the Board; and take appropriate steps to oversee that recommended changes and improvements are implemented;

8. review periodically the effectiveness of the Company’s information and technology security policies and the internal controls regarding information and technology security and cybersecurity;

9. review periodically the effectiveness of the Company’s compliance program, including the Company’s Code of Ethics and consider and recommend to the Board any proposed changes that the Committee deems appropriate or advisable;

10. review periodically the effectiveness of the Company’s Related Person Transactions Policy and consider and recommend to the Board any proposed changes that the Committee deems appropriate or advisable;

11. review and evaluate related party transactions in accordance with the Company’s Related Person Transactions Policy, and following the review, determine whether or not a particular relationship serves the best interest of the Company and its shareholders and whether the relationship should be continued or eliminated;

12. review disclosures of the material features of the Company’s Related Person Transactions Policy in the Company’s annual report on Form 10-K or in the Company’s annual proxy statement, as required by applicable laws, rules and regulations;

13. review potential conflicts of interest between the Company and its directors and executive officers, in accordance with the Company’s Code of Ethics (“Code of Ethics”);

14. review reported violations by the Company's executive officers and directors of the Code of Ethics, in accordance with the procedures set forth in the Code of Ethics;

15. review periodically with the Company's legal counsel pending and threatened litigation, inquiries received from governmental agencies, or any other legal and regulatory matters that may have a material impact on the Company's financial statements, internal controls, or corporate compliance procedures;

16. conduct or authorize investigations into any matters within the Committee's scope of responsibilities, as the Committee determines to be necessary or appropriate to enable it to carry out its duties;

17. retain and consult periodically with independent legal, accounting or other consultants as the Committee, in its sole discretion, determines necessary or appropriate to carry out its duties;

18. review summaries of the expense accounts of the Chief Executive Officer of the Company;

19. undertake any special projects assigned by the Board;

20. make regular reports to the Board;

21. issue any reports or perform any other duties required by (a) the Company's Certificate of Incorporation or Bylaws, (b) applicable law or (c) rules or regulations of the SEC, NASDAQ, or any other self-regulatory organization having jurisdiction over the affairs of the Committee;

22. consider and act upon any other matters concerning the financial affairs of the Company as the Committee, in its discretion, may determine to be advisable in connection with its oversight functions; and

23. perform any other activities consistent with this Charter, the listing standards of the NASDAQ, the Company's bylaws and applicable laws, rules and regulations and any other responsibilities delegated by the Board.

V. Evaluation of this Charter and the Audit Committee's Performance

The Committee shall annually review and evaluate the adequacy of this Charter and recommend any proposed changes to the Board. The Committee shall also annually review and evaluate its own performance.

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 audits or to determine that the Company's financial statements are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.