

Charter of the Audit Committee of

OptimumBank Holdings Inc.

As Approved by the Board of Directors on April 30, 2019

I. PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (Committee) is to assist the Board of Directors of OptimumBank Holdings, Inc. (Company) in reviewing the financial information which will be provided to the shareholders and others, selecting and reviewing the performance of independent accountants, and overseeing Company's accounting and financial reporting processes and the audits of the Company's financial statements.

The Committee will fulfill these functions by carrying out the duties and responsibilities enumerated in Section III of this Charter. The Committee shall be given full and direct access to the Company's Internal Audit Firm, the Board, Company executives and independent accountants as necessary to carry out these responsibilities. However, the Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and condition, or the responsibilities of the independent accountants relating to the audit or review of financial statements.

The independent accountants' ultimate responsibility is to the Board and the Committee, as representatives of the shareholders. These representatives have the ultimate authority to select, evaluate, and, where appropriate, replace the independent accountants.

II. COMMITTEE MEMBERSHIP

The Committee shall be comprised of three (3) Directors.. The Board shall appoint the Chairperson of the committee and appoint the members of the Committee. All members serving on the committee shall meet the independence requirements established by applicable laws, regulations and listing requirements and shall, in the judgment of the Board, have the ability to read and understand fundamental financial statements. At least one (1) member of the Committee shall in the judgment of the Board be an "audit committee financial expert" as defined by the rules and regulations of the Securities and Exchange Commission, and at least one member (who may also serve as the audit committee financial expert) shall in the judgment of the Board meet the financial sophistication standard as defined by the requirements of the Nasdaq Stock Market, Inc. The Board may remove any member from the Committee at any time with or without cause.

III. COMMITTEE POWERS, AUTHORITY, DUTIES, AND RESPONSIBILITIES

- A. The duties and responsibilities of a member of the Committee are in addition to those responsibilities set out for a member of the Board. Among its duties and responsibilities, the Committee shall:
- 1) As needed and consistent with applicable law, regulations and the Company's policies, delegate specific authorities to members of management not less than annually.
 - 2) Seek appropriate training and educational opportunities as well as keeping informed of local, regional and national interest rate trends and economic conditions.
 - 3) Engage and determine funding for such independent professional advisers and counsel as the Committee determines are appropriate to carry out its functions hereunder. The Company shall provide appropriate funding to the Committee, as determined by the Committee, for payment of (1) compensation to the independent accountants for services approved by the Committee, (2) compensation to any outside advisers retained by the Committee, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
 - 4) Report to the Board on a regular basis on the major events covered by the Committee and make recommendations to the Board and management concerning these matters.
 - 5) Interface when appropriate with bank regulators, (contract) internal review, and outside accountants regarding matters under the purview of the Committee, in order to remain informed as to the efficacy of management.
 - 6) Maintain this Charter, making such amendments as are appropriate from time to time, bringing such amendments to the Board for approval.
 - 7) Review and update the Committee Charter at least annually and include a copy of the Committee charter as an appendix to the proxy statement at least every three years or disclose the availability of a current copy on the Company's Website as required by Regulation S-K 407 (Instruction 2).
 - 8) Assist the Board or its other committees in any manner appropriate in order to keep all directors informed of the activities under the purview of the Committee.

- 9) Annually review the Company's annual audited financial statements and recommend that the audited financial statements be included in the Form 10-K. Discuss with the independent accountants the matters required to be discussed by Auditing Standard No. 61, including (a) the quality as well as acceptability of the accounting principles applied in the financial statements, and (b) new or changed accounting policies; significant estimates, judgments, uncertainties or unusual transactions; and accounting policies relating to significant financial statement items.
- 10) At least annually, evaluate the independent accountant's qualifications, performance and independence. This evaluation will include obtaining a written report from the independent accountant describing the firm's internal control procedures and any material issues raised by the most recent internal quality control review, or Public Company Accounting Oversight Board ("PCAOB") review, of the firm or by any inquiry or investigation by governmental or professional authorities within the past five years, concerning an independent audit or audits carried out by the firm, and any steps taken to deal with those issues; and all relationships between the independent accountant and the Company.
- 11) Be directly responsible for the appointment, determination of the compensation for, retention and oversight of the work of the independent accountant employed to conduct the audit (including resolution of disagreements between the independent accountants and management regarding financial reporting) or other audit, review or attest services. The independent accountants shall report directly to the Committee.
- 12) Pre-approve all audit services and permissible non-audit services by the independent accountants, as set forth in Section 10A of the Exchange Act and the rules and regulations promulgated thereunder by the SEC. The Committee may establish pre-approval policies and procedures, as permitted by Section 10A of the Exchange Act and the rules and regulations promulgated thereunder by the SEC, for the engagement of independent accountants to render services to the Company, including but not limited to policies that would allow the delegation of pre-approval authority to one or more members of the Committee, provided that any pre-approvals delegated to one or more members of the Committee are reported to the Committee at its next scheduled meeting.
- 13) Obtain on an annual basis a formal written statement from the independent accountants delineating all relationships between the accountants and the Company consistent with applicable requirements of the PCAOB regarding the independent accountant's communications with the Committee concerning independence, and review and discuss with the accountants all significant relationships the accountants have with the Company which may affect the accountants' independence. The

Committee is responsible for ensuring the independence of the independent accountants.

- 14) For each of the first three fiscal quarters and at year end, at a Committee meeting, (i) review with management the financial statements and periodic reports of the Company (including the disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”), and (ii) review with the independent accountants the results of their review of the interim financial statements and periodic reports, and audit of the annual financial statements, prior to filing of the reports with the SEC. In connection with each periodic report of the Company, review: (a) management’s disclosure to the Committee and independent accountants under Section 302 of the Sarbanes-Oxley Act, including identified changes in internal control over financial reporting; and (b) the contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Sarbanes-Oxley Act and the process conducted to support the certifications.
- 15) Review management’s analysis of any significant accounting issues, changes, estimates, judgments or unusual items relating to the financial statements and the selection, application and effects of critical accounting policies applied by the Company (including an analysis of the effect of alternative GAAP methods) and review with the independent accountants the reports on such subjects delivered pursuant to Section 10A(k) of the Exchange Act and the rules and regulations promulgated thereunder by the SEC.
- 16) Following completion of the annual audit, meet separately in executive sessions with the independent accountants, the Internal Auditor, and management, as needed, to review any significant difficulties encountered during the course of the audit or to discuss any matters that any of the foregoing believe should be discussed privately with the Committee.
- 17) Provide a report in the annual proxy that includes the Committee’s review and discussion of matters with management and the independent auditor.
- 18) Review and approve the appointment or change in the Internal Auditor, or Internal Audit Firm, if the function is outsourced.
- 19) Oversee the Company’s compliance with Section 404 of the Sarbanes Oxley Act. Consider and review with management, the Internal Audit Firm, and the independent accountants, as appropriate:
 - a. the adequacy of the Company’s internal controls, including computer information system controls and security;
 - b. any “material weakness” or significant deficiency” in the design or operation of internal control over financial reporting (“ICFR”); and

- c. Management's annual assessment of the effectiveness of its ICFR.
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- 20) Review and update annually the Code of Ethics policies for Company employees, directors and the Company's senior financial officers. Review annually with the Internal Audit Firm the results of monitoring compliance with the policies.
 - 21) Oversee, monitor and review the Internal Audit Firm's internal audit and review plans, periodic reports and findings for (i) internal financial controls, including but not limited to, computer information systems controls and security; and (ii) regulatory compliance matters, including but not limited to, consumer protection laws and regulations, loan file review and the Bank Secrecy Act. Receive prior to each Committee meeting a summary of findings from completed internal audits or reviews and a progress report on the proposed audit or review plan with explanations for any deviations from the original plan or review.
 - 22) Inquire of management, the Internal Audit Firm, and the independent auditor about significant risks or exposures, review the Company's policies for risk assessment and risk management, and assess the steps management has taken to control such risk to the Company.
 - 23) Perform any other activities consistent with this charter, the Company's Bylaws and governing law as the Committee or the Board deems necessary or appropriate, including but not limited to the Company's legal and regulatory compliance.
 - 24) Conduct appropriate review and oversight of all related party transactions, as defined by applicable SEC Rules, to which the Company is a party, for potential conflict of interest situations on an ongoing basis.
 - 25) Establish, review and update annually 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 (the Company's Whistleblower Policy).

IV. AUDIT COMMITTEE MEETINGS

The Committee will meet on a regular basis at least four (4) times each year, and will hold special meetings as circumstances require. The timing of the meetings to be scheduled for an upcoming fiscal year shall be determined by the Committee prior to the beginning of such fiscal year. A calendar of proposed meetings will be reviewed by the Committee at the same time as the annual Audit Committee Charter review. The calendar shall include appropriate meetings to be held separately with representatives of the independent accountants, management and the

Internal Audit Firms. In addition, the Committee will meet at any time that the independent accountants believe communication to the Committee is required.

At all Audit Committee meetings a majority of the total number of members shall constitute a quorum. All meetings shall be held subject to and in accordance with the Florida Business Corporation Act (including without limitation notice, quorum and votes/actions of the committee of Minutes shall be kept of each meeting of the Committee.