

JOHN MARSHALL BANK AUDIT COMMITTEE CHARTER

APPROVED BY BOARD JANUARY 18, 2012

I. Goals and Objectives

The primary function of the Audit Committee (the “Committee”) is to oversee and report to the Board of Directors regarding the 1) integrity of the financial statements and accounting and financial reporting processes of the Bank and its subsidiaries, 2) the Bank’s compliance with legal and regulatory requirements, 3) the independent registered public accountant’s (the “independent auditor”) qualifications and independence, 4) the performance of the Bank’s internal audit function and independent auditor, and 5) perform the other duties of the Committee specified by federal and state banking and securities laws and regulations, the listing standards of the primary national securities exchange on which the Bank’s securities are listed for trading, or if not so listed, the listing standards of The Nasdaq Stock Market, (the “Listing Standards”).

While the Committee has the review, oversight, and reporting responsibilities set forth in this charter, it does not have responsibility for planning or conducting audits or for determining that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Those are responsibilities of management and the independent accountants, rather than the Committee. The Committee also is not responsible for ensuring compliance with laws or regulations.

II. Committee Membership

The Audit Committee shall consist of at least four but no more than eight directors, as may be determined from time to time by the Board of Directors. The members of the Audit Committee shall each be independent, for purposes of audit committee service, within the meaning of the Listing Standards, and shall meet all other applicable legal and regulatory independence and experience requirements. At least one member shall have accounting or related financial expertise. The members of the Audit Committee shall be appointed by the Board of Directors and may be replaced by the Board. A quorum shall consist of a majority of the members of the Audit Committee.

III. Continuous Activities – General

1. Provide an open avenue of communication between the Bank’s independent auditor, Internal Audit and the Board of Directors.
2. Meet four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

3. Confirm and assure the independence and qualifications of both the independent and internal auditors. The Committee will oversee the compliance with lead (or coordinating) and review partner and other rotation requirements by the independent auditor.
4. Review with the independent auditor and the Internal Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources. Note: The Internal Auditor may be a third party consultant hired by the Audit Committee.
5. Inquire of management, the independent auditor and the Internal Auditor about significant risks or exposures and assess the steps management has taken to minimize such risk to the Bank.
6. Consider and review with the independent auditor and the Internal Auditor:
 - (a) The adequacy of the Bank's internal controls, including computerized information system controls and security.
 - (b) Related findings and recommendations of the independent auditor and Internal Audit together with the management's responses.
 - (c) Any fraud that involves management or other employees who have a significant role in the Bank's internal controls.
 - (d) Material off-balance sheet transactions, arrangements, obligations and other relationships of the Bank with unconsolidated entities or others that may have a material current or future effect on the Bank's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources of significant components of revenue or expenses.
7. Annually, consider and review with management, the Internal Auditor and the independent auditor:
 - (a) Significant findings during the year, including the status of previous audit recommendations.
 - (b) Any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information.
 - (c) Any changes required in the planned scope of the internal audit plan.
 - (d) The Internal Audit Department charter, budget and staffing.
8. Meet periodically with the independent auditor, the Internal Auditor and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately.
9. Report periodically to the Board of Directors on significant results of the foregoing activities.

10. Establish procedures for the receipt, review, and retention of complaints addressed to the Bank as well as confidential, anonymous employee submissions regarding accounting, internal controls, or auditing matters, and advise the Board on any complaints or submissions which raise material issues regarding the Bank's financial statements or accounting policies.
11. Discuss with management and the independent external auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Bank's financial statements or accounting policies.

IV. Continuous Activities – Re: Reporting Specific Policies

1. Advise financial management and the independent auditor they are expected to provide a timely analysis of significant current financial reporting issues and practices.
2. Provide that financial management and the independent auditor discuss with the Committee their qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Bank and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.
3. Inquire as to the auditor's independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices used or proposed to be adopted by the Bank.
4. Inquire as to the auditor's views about whether management's choices of accounting principles are conservative, moderate, or aggressive from the perspective of income, asset, and liability recognition, and whether those principles are common practices or are minority practices.
5. Determine, with regards to new transactions or events, the auditor's reasoning for the appropriateness of the accounting principles and disclosure practices adopted by management.
6. Assure that the auditor's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure practices.
7. Inquire as to the auditor's views about how the Bank's choices of accounting principles and disclosure practices may affect public views and attitudes about the Bank.

V. Scheduled Activities

1. Recommend the selection of the independent auditor for approval by the Board of Directors and shareholders, approve the compensation of the independent auditor, and review and approve the discharge of the independent auditor.

2. Consider, in consultation with the independent auditor and the Internal Auditor, the audit scope and plan of the independent auditor and the internal auditors.
3. Review and discuss with management and the independent auditor, the results of annual audits and related comments in consultation with other committees as deemed appropriate, including:
 - (a) The independent auditor's audit of the Bank's annual financial statements, the accompanying footnotes and its report thereon.
 - (b) Any significant changes required in the independent auditor's audit plans.
 - (c) Any difficulties or disputes with management encountered during the course of the audit.
 - (d) Other matters related to the conduct of the audit, which are to be communicated to the Audit Committee under Generally Accepted Auditing Standards.
4. Discuss with management and the independent auditor matters related to the accounting and disclosure of critical accounting estimates.
5. Review annually with the independent auditor Internal Auditor, and Compliance Officer the results of the monitoring of compliance with the Bank's regulatory compliance.
6. Review annually with the independent auditor and the Internal Auditor, the results of the annual IT and network security audit.
7. Review annually with the independent auditor and outside loan review vendor (as applicable), the results of loan quality review reports and the adequacy of the allowance for loan losses.
8. Review filings with the Board of Governors of the Federal Reserve System under the Securities Exchange Act of 1934 and the regulations thereunder (the "Exchange Act") and other published documents containing the Bank's financial statements and consider whether the information contained in these documents is consistent with the information contained in the financial statements. Review with financial management and the independent accountants the 10-Q prior to its filing or release of earnings.
9. Prepare a report for inclusion in the proxy statement that describes the Audit Committee's composition and responsibilities, and how they were discharged, including a statement regarding their review and discussion of the annual financial statements, review of the independence of the independent accountants, and discussions with the independent accountants, and a statement that based on the foregoing, the Audit Committee recommended that the annual financial statements be included in the Bank's annual report on Form 10-K.
10. Arrange for the independent auditor to be available to the full Board of Directors, at least annually, to help provide a basis for the Board to recommend to the Shareholders the appointment of the auditor.

11. Review and update the Committee's Charter annually.

VI. "When Necessary" Activities

1. Review and concur in the appointment, replacement, reassignment, or dismissal of the Internal Auditor.
2. Review and approve in advance requests for any non-audit services to be performed by the Bank's independent auditor. The Committee shall not approve any non-audit service engagement where the provision of such service by the independent auditor is prohibited by applicable law, the regulations of the Securities Exchange Commission, or the Listing Standards, and the independent auditor shall not provide any such prohibited service.

Notwithstanding the foregoing, pre-approval is not required with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Bank constitutes not more than five percent of the total amount of revenues paid by the Bank to its independent auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Bank at the time of the engagement to be non-audit services; and
 - (iii) the non-audit services are promptly brought to the attention of the Committee and approved by the Committee, or by one or more members of the Committee to whom authority to grant such approval has been delegated, prior to the completion of the audit.
 - (iv) The Committee may delegate the authority to grant such pre-approvals to one or more Committee members designated by the Committee, provided that any matters so pre-approved shall be presented to the full Committee at its next regular meeting.
3. Review periodically, with general counsel, legal and regulatory matters that may have a material impact on the Bank's financial statements, compliance policies and programs.
 4. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.
 5. On an on-going basis, the Committee shall conduct an appropriate review of all related party transactions for potential conflicts of interest and all such transactions shall be approved by the Committee to the extent required by applicable law.
 6. The Committee will perform such other functions as assigned by law, regulation, the Listing Standards, the Bank's charter or bylaws, or the Board of Directors.