

CHINO COMMERCIAL BANCORP

And

CHINO COMMERCIAL BANK, N.A.

AUDIT COMMITTEE CHARTER

Purpose

This document hereby establishes and authorizes the Audit Committee (the “Committee”) of Chino Commercial BanCorp and Chino Commercial Bank (jointly, the “Company”).

Composition

The Committee will be comprised of three or more directors as determined by the Board, each of whom shall be an independent, non-employee director, free of any relationship that, in the opinion of the Board, may interfere with such member’s individual exercise of independent judgment. No audit committee member, other than in his or her capacity as a member of the Board of Directors or of the Audit Committee, may accept any consulting, advisory or other compensatory fee from the Company. No Audit Committee member may be an officer, employee or 10% or greater shareholder of the Company or any parent or subsidiary thereof. In addition to the foregoing, for purposes of determining independence, the Company shall use the definition set forth in the rules of the Nasdaq. Under that definition, any of the following relationships would disqualify a director from being considered “independent” for purposes of serving as a member of the Committee.

A director will not be considered “independent” under Nasdaq rules if, among other things, he or she has:

- Been employed by the Company in the current or past three years;
- Accepted any compensation from the Company in excess of \$60,000 during the previous fiscal year (except for board service, retirement plan benefits, or non-discretionary compensation);
- An immediate family member who is, or has been in the past three years, employed by the Company as an executive officer;
- Been a partner, controlling shareholder or an executive officer of any for-profit business to which the Company made, or from which it received, payments (other than those which arise solely from investments in the Company’s securities) that exceed five percent of the organization’s consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the past three years; or
- Been employed as an executive of another entity where any of the Company’s executives serve on that entity’s compensation committee.

The members of the Committee will be appointed at least annually. The Chairman of the Board will appoint one member to be the Audit Committee Chair.

Responsibility

The primary functions of the Audit Committee are to appoint the Company's independent auditors and to assist the Board in fulfilling its oversight responsibilities with respect to:

- the annual financial information to be provided to shareholders and the Comptroller of the Currency;
- the system of internal controls that management has established; and
- the internal and external audit process.

In addition, the Committee provides an avenue of communication between external auditors, the independent accountants, financial management, and the Board.

Authority

- The Audit Committee has the authority to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.
- The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the Company.
- The Audit Committee has the authority to appoint and determine the compensation of the independent auditors, and the Company shall provide appropriate funding for such compensation.
- The Audit Committee has the authority to resolve disagreements between the Company's management and the independent auditors regarding financial reporting.

Meetings

The Committee is to meet at least four times annually and as many additional times as may be required by regulatory authority and/or as the Committee deems necessary. The Audit Committee should also meet separately with management and with the independent auditors at least annually, and should at the next following Audit Committee meeting discuss any matters raised in the discussions with each of these groups. In addition, the Audit Committee, or at least its Chair, should communicate with Management and the independent auditors quarterly to review the Company's financial statements and significant findings based upon the auditors' limited review procedures.

Attendance

Committee members will strive to be present at all meetings. As necessary or desirable, the Committee Chair may request that members of management be present at Committee meetings.

Specific Duties

In carrying out its oversight responsibilities, the Committee will:

- Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. This should be done in compliance with applicable Comptroller of the Currency Audit Committee requirements.
- Review with the Company's management, external auditors, and independent accountants the Company's accounting and financial reporting controls. Obtain and review the annual attestation letter from management and the independent accountants on the adequacy of such controls.
- Review with the Company's management and the independent accountants significant accounting and reporting principles, practices, and procedures applied to the Company in preparing financial statements. Discuss with the independent accountants their judgments about the quality, not just the acceptability, of the Company's accounting principles used in financial reporting.
- Discuss with the independent accountants the quality of the Company's financial and accounting personnel. Also, elicit the comments of management regarding the responsiveness of the independent accountants to the Company's needs.
- Meet with management, external auditors, and the independent accountants to discuss any relevant significant recommendations that the independent accountants may have, particularly those characterized as "material" or "serious." The Committee should review responses of management to the Letter of Comments and Recommendations from the independent accountants and receive follow-up reports on action taken concerning the aforementioned recommendations.
- Review the scope of the external auditor's work plan for the year and receive a summary report of major findings by the external auditors and how management is addressing the conditions reported.
- Appoint and replace the Company's independent accountants.
- Review the scope and general extent of the independent accountant's annual audit, including major risk factors. The Committee will review the annual fee arrangement with management and the independent accountants.
- Pre-approve all audit and permissible non-audit services to be performed by the independent auditors, provided that pre-approval is not required with respect to non-audit services if: (i) the aggregate amount of all such non-audit services provided to the Company constitutes 5% or less of the total amount paid by the Company to its independent auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and are approved by the Audit Committee or by one or more members of the

Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee prior to the completion of the Audit.

- Establish procedures for: (i) 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.

Reporting

The Committee will conduct meetings and request reports from management, attorneys, independent accountants, or any other person deemed necessary by the Committee and at such times and locations as considered appropriate. The Committee will report significant matters to the Board at least quarterly.