

FIRST BUSINESS FINANCIAL SERVICES, INC.
AUDIT COMMITTEE CHARTER

Approved: December 12, 2025

COMMITTEE PURPOSE

The Audit Committee (the “Committee”) is appointed by the First Business Financial Services, Inc. (the “Company”) Board of Directors (the “Board”) to assist the Board in fulfilling its oversight responsibility to its shareholders, potential shareholders, the investment community and others relating to: (1) the integrity of the Company’s financial statements, (2) the effectiveness of the Company’s internal control over financial reporting, (3) the Company’s compliance with applicable legal and regulatory requirements, (4) the qualifications and independence of the Company’s independent registered public accounting firm, (5) the performance of the Company’s third-party, outsourced internal auditor (“Internal Auditor”) relating to internal control over the financial reporting process and the Company’s Independent registered public accounting firm, and (6) the Company’s systems of disclosure controls and procedures.

The Committee is also responsible for reviewing and approving any Audit Committee reports required for inclusion in the Company’s annual report and proxy materials by the rules of the Securities and Exchange Commission (“SEC”).

COMMITTEE AUTHORITY

Per Rule 10A-3 of the Securities Exchange Act of 1934 (the “Exchange Act”), the Committee shall have the power and authority to conduct or authorize studies and investigations into any matter of interest or concern within the scope of its duties that the Committee deems appropriate and shall have the authority, in its sole discretion, to retain independent legal, financial or other advisors to assist in the conduct of any such study or investigation, including the authority to approve fees payable to such advisors and any other terms of retention. The Committee is empowered to:

- Approve, appoint, compensate, and oversee the work of any independent registered public accounting firm employed by the Company.
- Resolve any disagreements between management and the independent registered public accounting firm regarding financial reporting.
- Directly contact or invite to its meetings any officers, employees or directors of the Company or its independent registered public accounting firm or Internal Auditor in connection with the fulfillment of the Committee’s duties.
- Evaluating, monitoring, and advising the Board on all matters relating to maintaining a “tone at the top” that serves the best interests of the Company, its employees and shareholders.

COMMITTEE COMPOSITION AND MEETINGS

The Committee shall be comprised of three or more directors, each of whom shall meet the independence and experience requirements of Nasdaq, Section 10A(m)(3) of the Exchange Act, as amended, and the rules and regulations of the SEC. All members of the Committee shall be able to read and understand fundamental financial statements, and at least one member of the Committee shall be an “audit committee financial expert” as defined by the SEC and have past employment experience in

finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, as required by the rules of Nasdaq.

The Committee Chair and the members of the Committee shall be appointed by the Board annually or as necessary to fill vacancies on the recommendation of the Company's Corporate Governance and Nominating Committee. Each member shall serve until their successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

Notwithstanding the foregoing, the Board has delegated authority to the FBFS Board Chair to appoint an alternate independent "Non-Employee Director" who meets each of the requirements described herein to the Committee for purposes including but not limited to filling a vacancy on the Committee until the next Board meeting, at which time the full Board shall fill the vacancy and/or appoint the Committee member. The alternate Committee member appointed by the Board Chair will count toward a quorum and will have the same responsibilities and voting rights as the Board-appointed Committee members. The Board has further delegated the authority and discretion to the FBFS Board Chair to designate an alternate member of the Committee to serve as the Chair of the Committee if the Committee Chair is unable to attend a committee meeting.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee Chair will chair all meetings and shall prepare and/or approve an agenda in advance of each meeting. The Committee may invite to its meetings any officer, employee or director of the Company and such other persons as it deems appropriate in order to carry out its duties.

A majority of the Committee members shall constitute a quorum for the transaction of business. The action of the majority of the Committee members at a meeting at which a quorum is present shall be the act of the Committee.

The Committee shall maintain minutes of meetings and report regularly to the Board: (1) following meetings of the Committee, (2) with respect to such other matters as are relevant to the Committee's discharge of its duties and (3) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Committee's Chair or any other member of the Committee designated by the Committee to make such report.

COMMITTEE RESPONSIBILITIES AND DUTIES

The Committee shall fulfill the following responsibilities and duties:

Financial Reporting and Disclosure Matters

1. Review with management and the independent registered public accounting firm the Company's annual audited financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations per item 303 of Regulation S-K, risk factors, footnotes and related disclosures and fourth quarter earnings release, prior to the filing of the Company's Annual Report on Form 10-K. The review should include discussion with management and the independent registered public accounting firm of significant issues regarding accounting principles, practices, judgments and any additional matters required to be communicated to the Committee by the independent registered public accounting firm under professional standards.

2. Review with management and the independent registered public accounting firm the Company's quarterly unaudited financial statements, including Management's Discussion and Analysis, footnotes and related disclosures and quarterly earnings release, prior to the filing of the Company's Quarterly Report on Form 10-Q. The Committee shall discuss the results of the quarterly review and significant issues regarding accounting principles, practices, judgments and any other matters required to be communicated to the Committee by the independent registered public accounting firm under professional standards.
3. Review and discuss with management and the independent registered public accounting firm the Company's use of "pro-forma" or "adjusted" non-GAAP information (with "GAAP" defined as Generally Accepted Accounting Principles) as well as financial information and earnings guidance provided to analysts and rating agencies; provided that the discussion of financial information and earnings guidance provided to analysts and rating agencies may be done generally (e.g. discussion of types of information to be disclosed and the type of presentation to be made) and need not occur in advance of each instance in which the Company may provide such information and guidance.
4. Review of the financial statements which shall include: (1) 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 and effectiveness of the Company's internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses; (2) discussions with management and the independent registered public accounting firm regarding significant financial reporting issues and judgments made about the preparation of the financial statements and the reasonableness of those judgments, including analyses of the effects of alternative GAAP methods on the financial statements; (3) consideration of the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements; (4) consideration of the judgment of both management and the independent registered public accounting firm about the quality, not just the acceptability, of accounting principles; and (5) the completeness and clarity of the disclosures in the financial statements.
5. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer, or equivalent, during the certification process for the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
6. Review management's report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year and the independent registered public accounting firm's report on the effectiveness of internal control over financial reporting.
7. Discuss with the independent registered public accounting firm the characterization of deficiencies in internal control over financial reporting. The Committee shall also discuss, with management, the remediation plan to address internal control deficiencies and shall determine that the disclosures describing any identified material weaknesses and management's remediation plans are clear and complete.
8. The Committee should meet in management sessions, on a periodic basis, with members of the Company's management to discuss any such matters as the Committee or such members of management deem necessary and appropriate.

9. The Committee should meet in separate executive sessions, on a periodic basis, with invited guests to include the independent registered public accounting firm and the Internal Auditor, and as a Committee, to discuss any matters that the Committee or any of these groups believe should be discussed.

Independent Registered Public Accounting Firm Oversight and Responsibilities

1. Directly responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting). The independent registered public accounting firm shall report directly to the Committee.
2. Preapprove (which preapproval may be pursuant to preapproval policies and procedures established by the Committee) all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act.
3. Set clear policies for the hiring by the Company of any employees or former employees of the independent registered public accounting firm who participated in any capacity in the audit of the Company.
4. Review and discuss the independent registered public accounting firm's risk assessment and audit plan, including the scope, locations, and reliance upon management, the Internal Auditor and the general audit approach. However, it is not the Committee's responsibility to conduct or plan the audit.
5. Prior to providing year-end results to shareholders, discuss with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC.
6. Review and discuss with the independent registered public accounting firm any critical accounting matter ("CAM") addressed in the audit of the Company's financial statements and the relevant financial statement accounts and disclosures that relate to any such CAM.
7. Consider the independent registered public accounting firm's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting. However, it is not the Committee's responsibility to determine if the financial statements and disclosures are complete, accurate or in accordance with GAAP – these are the responsibilities of management and the independent registered public accounting firm.
8. Hold timely discussion with the independent registered public accounting firm regarding the following:
 - a. All critical accounting policies and practices to be used in the audit;

- b. All alternative treatments of financial information within GAAP that have been discussed with management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm; and,
 - c. Other material written communications between the independent registered public accounting firm and management of the Company, such as any management letter or schedule of unadjusted differences.
- 9. At least annually, obtain and review reports from the independent registered public accounting firm regarding:
 - a. The independent registered public accounting firm's internal quality-control procedures;
 - b. Any material issues raised by the most recent internal quality-control review or peer review or by any inquiry or investigation by governmental or professional authorities regarding services provided by the firm with could affect the financial statements of the Company, and any steps taken to deal with such issues; and,
 - c. A formal written statement delineating all relationships between the independent registered public accounting firm and the Company to ensure independence, consistent with Public Company Accounting Oversight Board Ethics and Independence Rule 3526, review and discuss the contents of the written statement and other independence matters, including partner rotation, with the independent registered public accounting firm and assess their independence.
- 10. Review compliance with the requirements of 12 C.F.R. Part 363 for depository institution subsidiaries of the Company.

Internal Auditor Oversight and Responsibilities

- 1. Oversee the engagement, compensation, performance and staffing of the Internal Auditor as it relates to the Company's internal audit function.
- 2. Consider, from time to time as deemed appropriate in the discretion of the Committee, the appropriateness of the continued outsourcing of the Company's internal audit function relative to in-house alternatives.
- 3. Review and discuss the Internal Auditor's risk assessment and audit plan, including internal control over financial reporting as well as other operational and regulatory controls, and with reliance upon management, the Internal Auditor and the general audit approach.
- 4. Review and approve and/or propose changes to the annual internal audit plan as it relates to internal control over the financial reporting process to assure the comprehensive coverage of significant financial reporting risk areas. Assess the activities, structure, and qualifications of the Internal Auditor as needed. Review and approve engagement letters for the internal audit function.
- 5. The Board has expressly delegated to the Company's Operational Risk Committee the review of all internal audits and loan review reports, except those internal audits relating to the effectiveness of internal control over the financial reporting process.

Compliance Oversight

1. On at least an annual basis, review the Code of Business Conduct and Ethics (“Code”) and ensure that management has established a system to enforce this Code. The Committee shall receive and review reports of evidence of a material violation of securities laws or breaches of fiduciary duty by the Company.
2. Review and approve potential conflicts of interest for Section 16 Officers as outlined in the Code, review quarterly reporting for any Section 16 Officers with approved conflicts of interest, and annually review a summary of directors’ and officers’ related party transactions as defined by Regulation S-K and Nasdaq Corporate Governance Rule 5630. The Committee will review a summary of Regulation O loans and the Company’s FR Y-6 Report filed with the Federal Reserve Bank at least annually to fulfill this requirement.
3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, internal controls or auditing matters.
4. Review any legal matters that could have a significant impact on the Company’s financial statements, any violations of the Company’s compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies. However, it is not the Committee’s responsibility to determine compliance with laws and regulations.
5. Approve the report of the Committee required by SEC Regulation S-K Item 407(d)(3)(i), to be included in the Company’s annual proxy statement.

Corporate Policies

Approve corporate policies as designated by the Board from time to time, including but not limited to, the Audit and Non-Audit Services Pre-Approval Policy, Disclosure Control Policy, Whistleblower Policy, External Audit Policy, Internal Audit Policy, Insider Trading Policy, Policy for Managing Disclosure of Material Information, and Section 16 Compliance Policy.

Environmental, Social and Governance

1. The Board, acting as a whole and through its committees, is responsible for approval and oversight of the execution of the Company’s environmental, social, and governance (“ESG”) strategic framework. The Board has expressly delegated to the Corporate Governance and Nominating Committee oversight of the Company’s overall ESG program. Board committees, which meet regularly and report back to the Board, are responsible for the monitoring of certain ESG framework components to ensure alignment with the Company’s ESG principles.
2. To ensure alignment with the Company’s ESG principles, as appropriate, the Committee shall review risks and opportunities related to:
 - a. Ethics, and the Company’s Code of Business Conduct and Ethics; and
 - b. Delegated key risks as outlined under “Risk Management,” below.

Risk Management

1. The Board, acting as a whole and through its committees, is responsible for oversight of the Company's enterprise-wide risk management. The Board has expressly delegated to the Operational Risk Committee responsibility for assuring the Company's overall risk management program is operating effectively. Board committees, which meet regularly and report back to the Board, provide oversight of the monitoring of certain key risks as delegated by the Board and oversee effective risk remediation when and as appropriate.
2. Monitor and assess the following specific key risks and other risks which may be delegated by the Board from time to time that could significantly affect the Committee's areas of focus, including: the integrity of the financial statements, effectiveness of internal control over financial reporting, compliance with applicable legal and regulatory requirements and the performance of the Company's Internal Auditor and independent registered public accounting firm.
3. Consider the risk of management's ability to override the Company's internal controls.
4. Conduct reviews as may be required by the SEC, Nasdaq and any other body with regulatory authority over the Company.

Other Duties:

1. Perform any other activities under this Charter, the Company's By-laws or governing law as the Committee or the Board deems appropriate.
2. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Corporate Governance and Nominating Committee, which will conduct a final review of the proposed changes and recommend to the Board for approval.
3. Periodically perform an assessment of the Committee's performance annually or biennially as recommended by the Corporate Governance and Nominating Committee.