

**GERMAN AMERICAN BANCORP, INC.**

**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**CHARTER**

Purpose

This Charter shall govern the scope of the responsibilities of the Audit Committee ("Committee") of the Board of Directors of German American Bancorp, Inc. (the "Corporation") and how the Committee carries out those responsibilities, including structure, processes, and membership requirements. The purpose of the Committee is to oversee the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements. It is not, however, the Committee's responsibility to prepare and certify the Corporation's financial statements, to guarantee the independent auditor's report, or to guarantee other disclosures by the Corporation. Committee members are not employees of the Corporation and are not performing the functions of auditors or accountants.

Composition

The Committee shall be comprised of three or more directors, as determined by the Board of Directors, each of whom must (at the time of appointment and thereafter) (a) satisfy the requirements for membership on an audit committee (subject to the exemptions, exceptions and cure period provisions therein permitted) specified by subparagraph (2)(A) (entitled "Audit Committee Composition") of paragraph (c) (entitled "Audit Committee Requirements") of Rule 5605 (or any successor rule) of The NASDAQ Stock Market LLC ("Nasdaq") as such requirements may from time to time be amended (as so amended from time to time, the "Nasdaq Audit Committee Rule") and (b) meet the criteria for independence set forth in Securities and Exchange Commission Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (subject to the exemptions provided in Rule 10A-3(c) under that Act): they must not accept any consulting, advisory, or other compensatory fee from the Corporation other than for board service, and they must not be an affiliated person of the Company as that term is defined for purposes of the Nasdaq Audit Committee Rule and by SEC Rule 10A-3(e)(1). In addition, at least one member of the Committee must (at the time of appointment and thereafter) have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in that individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Board of Directors may, at any time and in its complete discretion, replace a Committee member.

Notwithstanding the immediately preceding paragraph, the Corporation may rely upon the curative provisions of the Nasdaq Audit Committee Rule, or any successor provisions to such curative provisions (presently found in subparagraph (4) entitled "Cure Periods for Audit Committee") in those certain circumstances described by such curative provisions where the Audit Committee composition requirements of this Charter are not satisfied, subject to the

narrow terms and conditions of, and compliance with the requirements of, such curative provisions.

One member of the Committee shall serve as Chair of the Committee. The Chair shall be responsible for organizing and coordinating the activities of the Committee in discharging the responsibilities set forth in this Charter.

### Meetings

The Committee shall meet at least four times each year, or more frequently as circumstances dictate. At least twice each year, the Committee shall have a regularly scheduled meeting at which only members of the Committee are present (which may be held in conjunction with other meetings of the Committee), and the Committee shall meet at least annually, and more often as warranted, with the Internal Auditor and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. The Committee may require any officer or employee of the Corporation or its subsidiaries, or the Corporation's outside counsel or independent auditor, to attend a Committee meeting or to meet with any members of, or representatives of, the Committee, and to provide pertinent information as necessary. The Committee shall maintain minutes and other relevant documentation of all its meetings.

### Authority and Responsibilities:

*Responsibilities relating to registered public accounting firms.* The Committee, in its capacity as a duly authorized committee of the Board of Directors, shall be 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 auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation or its subsidiaries, and each such registered public accounting firm must report directly to the Committee. The Committee shall approve in advance, as required by applicable laws and regulations, all auditing services and permitted non-audit services proposed to be performed for the Corporation or its subsidiaries by any such registered public accounting firm. The Committee may pre-approve engagements with registered public accounting firms, provided that reasonable details as to the nature and scope of the particular services that are to be performed and the maximum amount of fees that may be paid for each particular service are disclosed by the firm to the Committee. One or more members of the Committee may grant such pre-approvals, provided that the decisions of such member(s) to grant pre-approvals shall be documented in writing and shall be reported to the full Committee on a timely basis, and in any event not later than the time of the Committee's next scheduled meeting.

*Complaints.* The Committee shall establish procedures for:

- i. The receipt, retention, and treatment of complaints received by the Corporation or its subsidiaries regarding accounting, internal accounting controls, or auditing matters; and

- ii. The confidential, anonymous submission by employees of the Corporation or its subsidiaries of concerns regarding questionable accounting or auditing matters.

*Authority to engage advisers.* The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.

*Funding.* The Committee, in its capacity as a duly authorized committee of the Board of Directors, shall have the authority to direct that the Corporation provide for appropriate funding, as determined by the Committee, for payment of:

- i. Compensation to any 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 Corporation;
- ii. Compensation to any advisers employed or engaged by the Committee under this Charter; and
- iii. Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

*Auditor Independence Statement.* The Committee shall ensure receipt, from each 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 Corporation, of a formal written statement delineating all relationships between such firm and the Corporation, consistent with Independence Standards Board Standard 1, and the Committee shall actively engage in a dialogue with such firm with respect to any disclosed relationships or services that may impact the objectivity and independence of such firm, and shall take, or recommend that the Board of Directors take, appropriate action to oversee the independence of such firm.

*Related Party Transactions.* The Committee shall conduct an appropriate review of, and approve or disapprove, all transactions with related parties, if and to the extent required by Rule 5630 (or any successor rule) of Nasdaq, as such requirement may from time to time be amended, and shall oversee all related party transactions for potential conflict of interest situations on an ongoing basis, all as required by Rule 5630.

*Savings Provision.* If and to the extent that, by reason of any change or amendment to applicable law or regulation or the Nasdaq Audit Committee Rule or other rules applicable to Nasdaq issuers, the Corporation is required to maintain an audit committee that has composition, structure, duties, authority or responsibility that is different than provided by this Charter, then (and to that extent) this Charter shall be deemed amended in such a manner as to cause the Committee to comply with such changed or amended laws, rules or regulations.

*Additional Functions.* In addition to the foregoing responsibilities, the Committee shall perform the following functions, in such manner and at such times as the Committee determines are necessary or appropriate from time to time under the circumstances:

Review and discuss with a representative of the independent auditors the results of the independent auditors' review of Interim Financial Information pursuant to AS 4105. The Chair may represent the entire Committee, either in person or by telephone conference call,

for purposes of this review.

- ❖ Review and discuss with management and the independent auditors at the completion of the annual audit of the Corporation's consolidated financial statements to be included in the Annual Report on Form 10-K for the last fiscal year, and prior to the execution of such Annual Report by the directors of the Corporation and by the Corporation:
  - (1) the Corporation's annual consolidated financial statements and related footnotes;
  - (2) the independent auditors' audit of the consolidated financial statements and their report;
  - (3) any difficulties or disputes with management encountered during the course of the audit; and
  - (4) other matters related to the conduct of the audit which are to be communicated to the Committee under PCAOB standards, including discussions relating to the independent auditors' judgments about such matters as the quality, not just the acceptability, of the Corporation's accounting practices and other items set forth in AS 1301 (Communications with Audit Committees) or other such auditing standards that may in time modify, supplement or replace AS 1301.
  
- ❖ Prepare an Audit Committee Report for inclusion in the annual stockholders' meeting proxy statement, which shall state whether the Committee:
  - (1) has reviewed and discussed the audited consolidated financial statements with management;
  - (2) has discussed with the independent auditors the matters required to be discussed by AS 1301, as may be modified, supplemented or replaced;
  - (3) has received the written disclosures from the independent auditors required by ISB Standard No. 1, as may be modified or supplemented, and has discussed with the auditors their independence; and
  - (4) has recommended to the Board of Directors, based on the review and discussion referred to in above items (1) through (3), that the Corporation's consolidated financial statements be included in the Annual Report on Form 10-K for the last fiscal year for filing with the Securities and Exchange Commission.
  
- ❖ Review and reassess the adequacy of this Charter on an annual basis.
  
- ❖ Review and discuss reports submitted to the Committee by the Internal Auditor and independent auditors.
  
- ❖ Review and concur in the appointment, replacement, reassignment or dismissal of the Internal Auditor.
  
- ❖ Review the performance of the internal audit department, including its reporting, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors.

❖ Review, as needed, the Corporation's audit policy.

In addition to the activities described above, the Committee will perform such other functions, as necessary or appropriate under law, the Corporation's Articles of Incorporation or By-laws, and the resolutions and other directives of the Board of Directors.

Adopted as of June 25, 2012 as amended and restated on June 24, 2013  
Most recently reviewed on: June 24, 2019.