

FIVE STAR BANCORP
AUDIT COMMITTEE CHARTER

Approved 02/09/2021 contingent on initial public offering

The primary function of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Five Star Bancorp (the "Company") is to represent and assist the Board in fulfilling its oversight responsibility with respect to matters involving the accounting, financial reporting, auditing and internal control functions of the Company, including overseeing: (a) the integrity of the Company's financial statements and internal controls, (b) the Company's compliance with legal and regulatory requirements, (c) the qualifications and independence of the Company's independent registered public accounting firm ("independent auditor"), and (d) the performance of the audit function by other independent auditors. The Committee shall also have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

Composition and Delegation

The Committee shall be comprised of at least three members. Each member of the Committee shall be a member of the Board and meet the independence requirements established by the Board and applicable laws and regulations, including the requirements of the Securities Exchange Commission ("SEC"), the listing standards of the Nasdaq Stock Market LLC ("Nasdaq") and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Each member of the Committee must not have participated in the preparation of the financial statements of the Company or any current subsidiary in the last three years. Each member shall in the judgment of the Board have the ability to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, at the time of appointment. At least one member of the Committee shall in the judgment of the Board be an "audit committee financial expert," as defined under applicable laws and regulations, and at least one member must have an active or inactive Certified Public Accountancy license.

The members of the Committee shall be appointed annually by the Board, which shall designate one member of the Committee as its Chairperson, in a process overseen by the Governance Committee. The Board may remove any member from the Committee at any time with or without cause. A Committee member may not accept any consulting, advisory or other compensatory fee, either directly or indirectly, from the Company, other than in the member's capacity generally as a director, including as a member of any Board committee.

At the expense of the Company, and as the Committee deems appropriate, the Committee may also retain independent counsel and other professionals to assist the Committee without seeking Board approval with respect to the selection, fees or terms of engagement of any such advisors. The Company shall also provide for appropriate funding for ordinary administrative expenses of the Committee that are necessary in carrying out its duties.

The Committee when appropriate may delegate authority to one or more designated members of the Committee, the Board or Company officers.

Duties and Responsibilities

The Committee shall:

Engagement of The Independent Auditor

1. Select and retain, and terminate when appropriate, the independent auditor, and set and approve the independent auditor's compensation; pre-approve all audit services to be provided by the independent auditor; and resolve disagreements between management and the independent auditor, with the understanding that the independent auditor shall report directly to, and be overseen by, the Committee.
2. Pre-approve all permitted non-audit services to be performed by the independent auditor and establish policies and procedures for the engagement of the independent auditor to provide permitted non-audit services and approve the fees for such services, other than de minimis non-audit services allowed by applicable law. The Company will make the required public disclosures regarding the pre-approval policies and procedures.
3. Ensure that members of the Committee have unrestricted access to the independent auditor (without management present) to review and discuss the Company's financial statements or other matters at such time and under circumstances as the Committee and its members may deem necessary and appropriate.

Evaluate The Independent Auditor's Qualifications, Performance and Independence

4. At least annually, evaluate the independence, qualifications and performance of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence; obtain and review a report, letter and/or written disclosures from the independent auditor consistent with Independence Standards Board Standard No. 1, including a formal written statement by the independent auditor delineating all relationships between the independent auditor and the Company; actively engage in dialogue with the independent auditor with respect to that firm's independence and any disclosed relationships or services that may impact the objectivity and independence of the independent auditor; and take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor. Ensure the Committee's receipt from the independent auditor of the written disclosures required by the Public Company Accounting Oversight Board ("PCAOB").
5. Discuss with the independent auditor the matters required to be discussed under relevant guidance of the PCAOB, including Auditing Standard No. 1301 - Communications with Audit Committees, including (i) potential alternative or new accounting standards within Generally Accepted Accounting Principles ("GAAP"), and (ii) critical accounting estimates and policies used by the Corporation, including in particular any significant changes in the Corporation's selection or application of accounting principles, and any critical audit matters addressed during the audit.
6. Discuss with the independent auditor any significant issues arising from the most recent PCAOB inspection of the independent auditor, to the extent relevant to the Company, including the independent auditor's response to any identified accounting

deficiencies.

7. Review and evaluate annually the qualifications, performance and independence of the independent auditor's lead partner, and ensure regular rotation of the lead audit partner, reviewing partner and other partners on the audit engagement team of the independent auditor as required by law. Ensure that the independent auditor's lead partner and reviewing partner are replaced at least once every five years subject to a five year "time out" period, and review the process for their selection.
8. Implement processes reasonably designed for the prevention of misleading, coercive, manipulative or fraudulent influence by the Board or management on the independent auditor.
9. Consider, as appropriate, the rotation of the independent auditor.

Review Financial Statements and Disclosures and Other Reports

10. Review with the independent auditor: (a) the scope and result of the audits; (b) any problems or difficulties that the auditors encountered in the course of the audit work, including any restrictions on their activities or access to requested information, and management's response; and (c) any questions, comments or suggestions the auditors have relating to the internal controls and accounting practices and procedures of the Company or its subsidiaries.
11. Receive confirmation from the independent auditor that an external audit is conducted in compliance with statutory requirements.
12. Obtain from the independent auditor assurance that Section 10A of the Exchange Act (i.e., discovery and reporting of illegal acts) has not been implicated.
13. Review with management and the independent auditor the financial statements of the Company, including the audited financial statements included in the Five Star Bancorp's Annual Reports on Form 10-K, unaudited financial statements included in the Five Star Bancorp's Quarterly Reports on Form 10-Q, the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," earnings releases and any financial statements disclosed to the Company's regulators, in each case prior to their release. Review with management and the independent auditor any major issues regarding accounting and auditing principles, practices and non-GAAP measures.
14. Recommend the annual audited financial statements to the Board for inclusion in the Five Star Bancorp's Annual Reports on Form 10-K.
15. Review disclosures and reports made by management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer, during the Form 10-K and the Form 10-Q certification process of Five Star Bancorp.
16. Review and approve the report required by the rules of the SEC to be included in the Five Star Bancorp's annual proxy statement.
17. Review an analysis prepared by management and the independent auditor of

significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.

18. Oversee and periodically review matters pertaining to the company's tax planning and compliance.

Periodic Assessment of Accounting Practices and Policies and Risk and Risk Management

19. Obtain and review timely reports from the independent auditor regarding (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
20. Review with management and the independent auditor: (a) the assessment of adequacy and effectiveness of the systems of internal controls (including any reportable conditions, significant deficiencies and significant changes in internal controls reported to the Committee by management or the independent auditor), accounting practices, and disclosure controls and procedures (and management reports thereon, including any reports by management regarding any fraud that involves management or other employees who have a significant role in the Company's internal controls), of the Company and its subsidiaries, including the Company's policies and procedures designed to provide assurance that information required to be disclosed in Five Star Bancorp's periodic public reports is accurately reported within the time periods specified by the SEC; and (b) current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.
21. Review: (a) the scope and resources required by the independent auditor to perform the audit plan for the year; and (b) obtain and review timely reports from the independent auditor along with management's response to such reports.
22. Monitor Company policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and major legislative and regulatory developments which could materially impact the Company's contingent liabilities and risks. Meet periodically with management to review the Company's major financial risk exposures.
23. Review: (a) the status of compliance with laws and regulations applicable to the Company; and (b) the scope and status of systems designed to promote Company compliance with such laws and regulations, through receiving reports from management, legal counsel and other third parties (including auditors other than the independent auditor) as determined by the Committee.
24. Review all regulatory reports, including SEC comments letters, submitted to the Company and Five Star Bancorp and monitor management's response to them.
25. Identify and direct any special projects or investigations deemed necessary related to risk management and compliance with applicable laws.

26. Report regularly to the full Board, including any issues regarding the quality or integrity of the Company's or Five Star Bancorp's financial statements, the effectiveness of the internal control over financial reporting or disclosure procedures, the performance and independence of the independent auditor, or any other issue that the Committee believes should be brought to the attention of the full Board.
27. Review and approve all significant accounting changes.
28. Review and, if appropriate, approve any "transaction" between the Company and any "related person" required to be disclosed under the rules of the SEC.

Material Transactions

29. Review and approve, and recommend to the Board for approval, significant or material transactions (generally those that are in excess of the CEO spending limits established by the Board from time to time) that are not a normal part of the Company's business.

Complaint Procedures and Ethics Compliance

30. Establish: (a) procedures for the receipt, retention and treatment of complaints regarding the Company's accounting, internal controls and auditing matters; and (b) procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
31. Discuss with management and the internal and independent auditors any significant correspondence with regulators or governmental agencies and any external or employee complaints or published reports that raises material issues regarding the Company's financial statements or accounting policies.
32. Develop and monitor compliance with: (a) a code of ethics for Senior Financial Officers pursuant to and to the extent required by regulations applicable to the Company from time to time; and (b) a code of conduct applicable to all directors, officers and employees pursuant to and to the extent required by regulations applicable to the Company from time to time.

Hiring Policies and Delegation

33. Establish policies for the hiring of employees and former employees of the independent auditor and assist in the evaluation of senior financial management personnel.
34. Designate officers and employees who can act on behalf of the Company to execute transactions in the ordinary course of business under previously approved banking, borrowing and other financing agreements.

Oversight of the Internal Audit Function

35. Oversee the Company's internal audit function (whether outsourced or performed in-house)(the "internal audit function"), including reviewing and approving matters relating to its: purpose, responsibilities, authority and budget.
36. Approve the selection, compensation, termination and replacement of the internal audit function will report directly to the Committee.
37. Ensure proper independence of the Company's internal audit function.
38. Review, approve and oversee adherence to the internal audit function's annual internal audit risk assessment of the Company and internal audit plan and any changes to the plan thereto.
39. Evaluate the adequacy and effectiveness of the Company's internal accounting control by review of written reports from the internal audit function and monitor management's response and actions to correct any noted deficiencies.
40. Report regularly to the Board any issues that arise with respect to the quality, integrity or performance of the internal audit function.
41. Oversee the process for review of all audit findings and recommendations communicated by the internal audit function, regulatory authorities and other external audit-related contract advisors.
42. Evaluate the effectiveness of the internal audit function through regular meetings therewith and with management.
43. Oversee processes reasonably designed for the prevention of management restrictions being placed upon the internal audit function.

Meetings

In accordance with the applicable provisions of the Company's Bylaws, as amended from time to time, the Committee shall meet at least four times each year at such times and places as the Chairperson of the Committee, in consultation with the other members of the Committee, deems advisable, and shall make such recommendations to the Board as the Committee considers appropriate. Presence of a majority of the Committee members at a meeting of the Committee constitutes a quorum for the transaction of business. The action of a majority vote of those present at a meeting, at which a quorum is attained, will be the act of the Committee. The Chairperson of the Committee, in consultation with the Committee members and management, will determine the agenda of Committee meetings. In lieu of a meeting, the committee may act by unanimous written consent.

The Committee will meet periodically in executive sessions of only the Committee members, and if invited by the Committee in its sole discretion, other independent members of the Board. When appropriate, the Committee may meet in separate executive session with other independent directors, management, employees, general counsel, internal audit, and the independent auditor or other consultants or advisors it may retain to discuss matters that the Committee or other groups believe warrant the Committee's attention.

Minutes

Minutes of each meeting shall be prepared by the Chairperson of the Committee or by his/her designee and sent to Committee members. Following an initial review by the Committee members, the Committee will provide the minutes to the Board. The Secretary of the Company shall be responsible for archiving the approved minutes and such responsibility may be delegated to Company personnel. The Committee will also make regular reports to the Board on any significant matters arising from the Committee's work, including with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements and the performance and independence of all auditors.

Division of Responsibilities

Each Committee member will be responsible for staying up to date on current regulatory, reporting and risk management issues as they pertain to their assigned area, and is responsible for reporting to the Committee activities conducted, results and a summary of any audit reports within their area. Each Committee member will work with the Chairperson of the Committee to develop appropriate continuing education to stay current on regulations, accounting pronouncements, etc. that impact their assigned area. Committee members are responsible for attending, either by teleconference or in person, all exit meetings related to their assigned area and for reporting the results of such meetings at the quarterly Committee meetings.

Evaluation

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an evaluation at least annually of the Committee's performance and make applicable recommendations. The Committee will report to the Board the results of the evaluation.