

BEN FRANKLIN FINANCIAL, INC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

PREAMBLE

This Audit Committee Charter (the “Charter”) has been adopted by the Board of Directors of Ben Franklin Financial, Inc. (the “Company”). The Audit Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

OBJECTIVES OF COMMITTEE

- To provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities and oversee management's activities relating to accounting, record keeping, financial reporting, disclosure controls and internal control over financial reporting.
- Provide a vehicle and establish a forum for the free and open communication of views and information among the Company's directors, independent public accounting firm, internal auditor and management.
- To review the independence of the Company's independent public accounting firm and the objectivity of internal auditor.
- To perform the audit committee functions specified by the Securities and Exchange Commission and the OTC Bulletin Board.
- To establish and maintain a system for confidential complaints regarding the Company's accounting, financial reporting, disclosure controls, and internal control over financial reporting.

ROLES AND RESPONSIBILITIES

The responsibilities of the committee include the following:

Independent Auditors:

- Appoint an independent public accounting firm for the purpose of auditing the Company's financial statements and, if and when required, attesting to its internal control over financial reporting.
- Assess the qualifications of the Company's public auditing firm and its lead engagement partner. Oversee and evaluate the performance of such person and firm; if necessary, remove them.

- Obtain annually from the Company's independent public auditing firm a formal written statement describing all relationships between the firm and the Company. Discuss with the Company's independent public auditing firm any relationships that may impact the objectivity and independence of such firm and take, or recommend that the Board take, appropriate actions with respect to the independence of such firm from the Company.
- Obtain annually from the Company's independent auditing firm a statement regarding its quality control procedures.
- Resolve any disagreements between management and the Company's independent public auditing firm regarding accounting, financial reporting, disclosure controls, internal control over financial reporting and similar matters.
- Approve, in advance, all audit and non-audit services to be performed for the Company by its independent public auditing firm, subject to applicable law and regulation. Negotiate and approve all fees and engagement terms of the Company's independent public auditing firm for audit and non-audit services.
- Obtain assurance from the Company's independent public auditing firm that Section 10A(b) of the Exchange Act has not been implicated.
- Review with the Company's independent public auditing firm the plan, procedures and scope of its annual audit of the Company's financial statements.
- Prepare such committee reports as may be required for inclusion in the Company's annual proxy statement.

Financial Reporting Review:

- Receive at least annually reports on critical accounting policies, alternate treatments within GAAP and significant assumptions and estimates with respect to the Company's financial statements from its management and independent public auditing firm. In connection with such review, review the financial accounting and reporting treatments preferred by the Company's independent auditing firm.
- Review and discuss the Company's audited financial statements with management and the Company's independent public auditing firm including all of the matters indicated in Statement of Auditing Standards Number 61. Based on such review, recommend to the board whether such audited financial statements should be included in the Company's Annual Report on Form 10-KSB and Annual Report to Stockholders for the relevant fiscal year.
- Review material written communications between the Company's independent public auditing firm and management including the management letter and schedule of unadjusted differences.
- Receive reports from management on at least an annual basis on the Company's disclosure of material off-balance sheet data and non-financial data.

- Receive reports from management on the appropriateness of any material pro forma data to be included in the Company's public financial reports.
- Review and discuss with management and the Company's independent public auditing firm prior to release any proposed earnings announcement or financial press release.
- Review and discuss with management and the Company's independent public auditing firm prior to filing the Company's Annual Reports on Form 10-KSB, Quarterly Reports on Form 10-QSB and any other SEC financial disclosure filings.
- Monitor the efforts of management and the Company's independent public auditors to cure any deficiencies noted in its financial statements or accounting process.

Disclosure Controls and Internal Control over Financial Reporting:

- Oversee the selection, compensation and performance of the Company's internal auditor or auditing firm. Assess the qualifications and independence of the Company's internal auditor or auditing firm.
- Discuss with the Company's management, independent public auditing firm and internal auditor the organization, scope, objectivity, budget and staffing of the Company's internal audit.
- Instruct that no restrictions be placed upon the scope of the internal audit. Receive reports from the Company's internal auditors regarding its computer systems, facilities and backup systems.
- Review material regulatory examination reports and internal audit reports and monitor management's compliance efforts.
- Discuss with the Company's independent public auditing firm, internal auditor and management, the adequacy and effectiveness of the Company's financial and reporting controls including internal control over financial reporting and disclosure controls.
- Review reports of management and the Company's independent public auditing firm on internal and quality controls including, if and when required by applicable law or regulation, management's report and the independent public auditing firm's attestation on internal control over financial reporting.
- Discuss with management on a quarterly basis its review and conclusions regarding the Company's disclosure controls and whether there has been any changes in the Company's internal control over financial reporting.

Other:

- Discuss the Company's legal and regulatory compliance with the Company's Chief Compliance Officer on at least an annual basis.

- To the extent required under applicable SEC and OTC Bulletin Board rules, review and approve all transactions with related parties.
- Establish procedures for (a) the receipt, retention and treatment of any complaints received by the Company on accounting, financial reporting, internal control over financial reporting, or auditing matters and (b) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting, financial reporting, internal control over financial reporting and auditing matters.
- Reassess the adequacy of this Charter at least annually.

ORGANIZATION

- The committee shall consist of a minimum of three outside directors of the Company. All members must be (i) financially literate, (ii) able to read and understand financial statements and (iii) able to satisfy applicable OTC Bulletin Board, SEC and other requirements with respect thereto. In addition, if required by applicable SEC, OTC Bulletin Board or other regulations, at least one member shall have past employment experience in finance or accounting, requisite professional certifications in accounting, or any other comparable experience, training or background which results in such member's financial sophistication (including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities).
- All members of the committee must be free from any relationship with the Company which would interfere with their independent judgement. Other than in his or her capacity as a member of the board of directors or any committee thereof, no audit committee member shall accept directly or indirectly any financial consulting or advisory fee from the Company or any subsidiary. All audit committee members must comply with all applicable independence requirements of the OTC Bulletin Board, the SEC and any exchange or electronic trading system on which the Company's stock is traded.
- The committee shall meet at least four times a year and more frequently as circumstances require. The timing of meetings shall be determined by the committee. However, at least once per year, the committee shall have private meetings with each of the Company's independent public auditing firm, management and the internal auditor.
- One member of the committee shall be appointed as chairman. The chairman shall be responsible for leadership of the committee, including scheduling and presiding over meetings, preparing agendas, and making regular reports to the board. The chairman will also maintain liaison as needed with the Company's CEO, CFO, the lead partner of its independent public auditing firm, the internal auditor and the general counsel.
- The committee shall create written minutes of its meetings. Following approval by the committee, the minutes shall be reported to the Board of Directors and shall be maintained with the books and records of the committee.

- The committee shall perform annually a self-assessment relative to its performance relative to the purpose, duties and responsibilities as outlined herein.
- The committee shall have the power to conduct or authorize investigations into any matters within its scope of responsibilities. The committee is empowered to engage independent counsel and such other advisers as it determines necessary or appropriate to carry out its duties. The Company shall pay all expenses of such advisors and any other expenses that are necessary or appropriate for carrying out the committee's duties.

Other

- The committee, and each member of the committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company and its subsidiaries whom such member believes to be reliable and competent in the matters presented, and (ii) counsel, public accountants or other persons as to matters which the member reasonably believes to be within the professional competence of such person.
- The committee's duties do not include planning or conducting external or internal audits or determining that the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. Nor is it the duty of the committee to assure compliance with laws and regulations. These are the responsibilities of management.