

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
OF OLD LINE BANCSHARES, INC.**

I. Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Old Line Bancshares, Inc. (the “Company”) is to assist the Board by monitoring:

1. The integrity of the financial statements of the Company;
2. The independent auditors’ qualifications and independence;
3. The performance of the Company’s and its subsidiaries’ internal audit function and independent auditors;
4. The Company’s system of internal controls;
5. The Company’s financial reporting and system of disclosure controls; and
6. The compliance by the Company with legal and regulatory requirements.

In addition to these purposes, the Committee will also prepare a report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

With respect to joint sessions of the Committee:

- a) The Committee may meet simultaneously as a committee of the Company and any subsidiary of the Company that does not have its own audit committee or which has its own audit committee the members of which are the same as the members of the Committee, though it should hold separate sessions if necessary to address issues that are relevant to one entity but not the other(s) or to consider transactions between the entities or other matters where the Company and one or more subsidiaries may have different interests; and
- b) The Committee should consult with counsel, if, in the opinion of the Committee, any matter under consideration by the Committee has the potential for any conflict between the interests of the Company and those of the Company’s subsidiaries in order to ensure that appropriate procedures are established for addressing any such potential conflict and for ensuring compliance with the Company’s policies regarding any applicable laws, rules and regulations.

The Committee’s job is one of oversight as set forth in this charter. It is not the duty of the Committee to prepare the Company’s financial statements, to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“GAAP”). The Company’s management is responsible for preparing the Company’s financial statements and for maintaining internal controls, and the independent auditors are responsible for auditing the financial statements. Nor is it the duty of the Committee to assure compliance of the Company’s policies and procedures with applicable laws and regulations.

II. Membership

All members of the Committee will be members of, appointed by and serve at the discretion of the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall consist of at least three, but no more than five members, the exact number being determined by the Board. No member of the Committee shall be an officer, employee or consultant of the Company or any subsidiary or have any other relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Committee member. Each member of the Committee shall be “independent” as defined by applicable law, SEC rules and regulations and the rules of the NASDAQ Stock Market LLC (“NASDAQ”), each as they may be interpreted or amended from time to time (“Applicable Law, Rules and Regulations”), except as otherwise permitted by Applicable Law, Rules and Regulations. Each member of the Committee shall have the ability to read and understand fundamental financial statements and a working familiarity with basic finance and accounting principles, and at least one member shall have prior experience or education in accounting, financial management or financial oversight, as required by Applicable Law, Rules and Regulations.

III. Meetings

Meetings of the Committee shall be held at least four times per year and from time to time as determined by the Board and/or the members of the Committee as circumstances dictate. At least two meetings will focus primarily on audit/financial issues and at least two meetings will focus primarily on ethics and business conduct issues. In addition, at least once each year the Committee shall meet in executive session with each of the internal auditor(s) and the independent auditors. A majority shall constitute a quorum of the Committee. Written minutes should be kept of all such meetings. The Committee shall report its recommendations to the Board at the Board’s next scheduled meeting or as otherwise appropriate. The Committee members, or the Chair of the Committee on behalf of all of the Committee members, should communicate with management and the independent auditors on a quarterly basis in connection with their review of the Company’s financial statements.

IV. Responsibilities and Duties

A. Charter Review

- Review and reassess the adequacy of this charter at least annually and recommend to the Board any proposed changes to this charter, and

B. Financial Reporting/Internal Controls

- Review and discuss with the internal auditors and the independent auditors their respective annual audit plans, reports and the results of their respective audits;
- Review and discuss with management, the Company's Disclosure Committee and the independent auditors the Company's quarterly financial statements and its Form 10-Q

(prior to filing the same as required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including disclosures made in the section regarding management's discussion and analysis, the results of the independent auditor's reviews of the quarterly financial statements, and determine whether the quarterly financial statements should be included in the Company's Form 10-Q;

- Review and discuss with management, the Company's Disclosure Committee and the independent auditors the Company's annual audited financial statements and its Form 10K (prior to filing the same as required by the Exchange Act), including disclosures made in the section regarding management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K;
- Review and discuss with management, the Company's Disclosure Committee and, where appropriate, the independent auditors, the Company's financial disclosures in its registration statements, press releases, earnings releases, current reports on Form 8-K, real time disclosures, call reports or other public disclosures before the same are filed, posted, disseminated or released, including the use of "pro forma" or "adjusted" non-GAAP information, all reconciliations of the same, and any earnings guidance, as well as all financial information provided to rating agencies and/or securities analysts including presentations at industry, investor or other conferences;
- Review and discuss with the Company's Chief Executive Officer and Chief Financial Officer all matters such officers are required to certify in connection with the Company's Form 10-Q and 10-K or other filings or reports;
- Discuss with management, the Company's Disclosure Committee and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, the development, selection and disclosure of critical accounting estimates and principles and the use thereof, and analyses of the effect of alternative assumptions, estimates, principles or generally accepted accounting principles ("GAAP") on the Company's financial statements;
- Discuss with management and the independent auditors the effect of regulatory and accounting initiatives and off-balance sheet transactions on the Company's financial statements, conditions or results and any necessary disclosures related thereto;
- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies;
- Discuss with the independent auditors and management the audited financial statements including the matters required to be discussed by Statement of Auditing Standards No. 61;
- Ensure that the Company's independent auditors report to the Committee all of the Company's critical accounting policies and procedures and alternative accounting treatments of financial information in accordance with GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments

- and disclosures and the treatment preferred by the independent auditors;
- Ensure that there are open avenues of communication among the Company's internal auditors, independent auditors, and the Board;
 - Ensure that the Company's independent auditors share with the Committee all material written communication between the auditors and management;
 - Discuss with the Company's independent auditors, internal auditors, and management, (including the Company's Disclosure Committee) their assessments of the adequacy of the Company's internal controls and disclosure controls and procedures;
 - Assess whether management is resolving any internal control weaknesses diligently;
 - Discuss with the Company's independent auditors, internal auditors and management (including the Company's Disclosure Committee) as appropriate any weaknesses or deficiencies that any of the foregoing have identified relating to financial reporting, internal controls or other related matters and their proposals for rectifying such weaknesses or deficiencies;
 - Monitor the Company's progress in promptly addressing and correcting any and all identified weaknesses or deficiencies in financial reporting, internal controls or related matters;
 - Receive periodic reports from the independent auditors and appropriate officers of the Company on significant accounting or reporting developments proposed by the Financial Accounting Standards Board, the SEC and other applicable regulators that may impact the Company; and
 - Receive periodic reports from independent auditors and appropriate officers of the Company on significant financial reporting, internal controls or other related matters of the Company's subsidiaries.

C. Independent Auditors

- Hire, fire, compensate, review and oversee the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting), and the independent auditors must report directly to the Committee;
- Review the experience, rotation and qualifications of the senior members of the independent auditors' team;
- Monitor the independence, qualifications and performance of the independent auditors by, among other things:
 - 1) Obtaining and reviewing a report from the independent auditors at least annually regarding (a) the independent auditors' internal quality-control

procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the same, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Company;

- 2) Actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships between the independent auditors and the Company or services that may impact the objectivity and independence of the independent auditors;
 - 3) Evaluating the qualifications, performance and independence of the independent auditors, including considering whether the auditors' quality controls are adequate and whether the provision of any non-audit services is compatible with maintaining the auditors' independence, and taking into account the opinions of management and the internal auditors;
 - 4) Establishing and overseeing restrictions on the actions of directors, officers, or employees of the Company in improperly influencing, coercing, manipulating or misleading the Company's independent auditors including violations of Rule 13b2-2 promulgated under the Exchange Act; and
 - 5) If so determined by the Committee, taking additional action to satisfy itself of the qualifications, performance and independence of the auditors.
- Meet with the independent auditors prior to each annual audit to discuss the planning and staffing of the audit;
 - Pre-approve all auditing services and permitted non-audit services to be performed for the Company by the independent auditors or any other auditing or accounting firm, except as provided in this paragraph. In no event shall the independent auditors perform any non-audit services for the Company which are prohibited by Section 10A(g) of the Exchange Act or the rules of the SEC or the Public Company Accounting Oversight Board (or other similar body as may be established from time to time). The Committee shall establish general guidelines for the permissible scope and nature of any permitted non-audit services in connection with its annual review of the audit plan and shall review such guidelines with the Board. Pre-approval may be granted by action of the full Committee or, in the absence of such Committee action, by the Committee Chair whose action shall be considered to be that of the entire Committee. Approvals of a non-audit service to be performed by the auditors and, if applicable, the guidelines pursuant to which such services were approved, shall be disclosed when required in the Company's Exchange Act reports;
 - Review and oversee the compliance with any rotation requirements pertaining to the auditor, including the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit, to which the Company is subject from time to time by reason of law, regulation, rule, stock exchange membership or otherwise;

- Monitor compliance with regulatory requirements applicable to, and recommend to the Board policies for, the Company's hiring of employees or former employees of the independent auditors who participated in any capacity in an audit of the Company, including in particular the prohibitions on employment under the Exchange Act;
- Ensure that the independent auditors have access to all necessary Company personnel, records or other resources.

D. Internal Audit Function

- Review and oversee the appointment, performance and replacement of the Company's senior internal audit executive or outside internal audit firm;
- Review and approve the internal audit plan and assess whether it is consistent with the Company's needs;
- Periodically review the status of the approved internal audit plan and discuss such plan status at its meetings;
- Review the significant reports to management prepared by the internal auditing function and management's responses;
- Review and discuss with the internal auditors the results of their work (including their audit report) as well as their control risk assessment;
- Discuss with the independent auditors and approve the internal audit function's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit; and
- Ensure that the internal auditors have access to all necessary Company resources.

E. Compliance Oversight

- Discuss with management and the internal auditors the Company's processes regarding compliance with applicable laws and regulations and with the Company's Code of Ethics For Senior Financial Officers and Code of Conduct For Directors, Officers and Employees, obtain reports from management, the Company's senior outside internal auditing executive and the independent auditors regarding compliance by the Company and its subsidiary entities with applicable legal requirements (including suspicious activity reports and regulatory exam reports) and the Company's Code of Ethics For Senior Financial Officers and Code of Conduct For Directors, Officers and Employees and from time to time advise the Board with respect to the same. Obtain from the independent auditors any reports required to be furnished to the Committee under Section 10A of the Exchange Act or an assurance that Section 10A of the Exchange Act has not be implicated;
- Review procedures designed to identify related party transactions that are material to the financial statements or otherwise require disclosure;
- Establish procedures and require the Company to obtain or provide the necessary

- resources and mechanisms for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies or compliance with the Company's Code of Ethics For Senior Financial Officers and Code of Conduct For Directors, Officers and Employees; and
 - Discuss with the Company's counsel legal matters that may have a material impact on the financial statements and that may have an impact on the Company's compliance policies; and
 - Where the Committee is performing the duties required by law to be performed by an audit committee for a subsidiary bank of the Company that does not have its own audit committee or where the members of such audit committee are the same as the members of the Committee, review with management and the independent auditors the basis for the reports required to be filed by management and by the independent auditors with all bank regulatory authorities.

F. General

- Review and assess the quality and clarity of the information provided to the Committee and make recommendations to management, the Company's Disclosure Committee and the independent auditors as the Committee deems appropriate from time to time for improving such materials;
- Form and delegate authority to subcommittees or members when appropriate;
- Annually review the performance of the Committee.

In performing their duties and responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- Counsel, independent auditors, internal auditors or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- Another committee of the Board as to matters within its designated authority which committee the Committee member reasonably believes to merit confidence.

The Committee shall have the power to retain outside counsel or other experts and advisors as it determines appropriate to carry out its duties. The committee shall also have the power to conduct investigations as it deems appropriate in carrying out its duties. The Company will provide appropriate funding to the Committee to allow the Committee to compensate the

Company's independent auditors, to compensate any advisors retained by the Committee and to pay for any investigations conducted by the Committee hereunder, and for the ordinary administrative expenses of the Committee.