

FIRST BANK OF DELAWARE
AUDIT COMMITTEE CHARTER

A. Purpose:

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of First Bank of Delaware (the “Company”) shall represent and assist the Board of Directors with the oversight of: (a) the integrity of the Company’s financial statements and internal controls, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent registered public accounting firm’s qualifications and independence and (d) the performance of the Company’s internal audit function and the independent registered public accounting firm. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company’s financial statements, or any professional certification as to the independent auditors’ work, including with respect to auditor independence. Each member of the Committee shall be entitled to rely on the integrity of people and organizations from whom the Committee receives information and the accuracy of such information.

The Committee shall have direct authority and responsibility to appoint (subject to shareholder ratification), compensate, retain, and oversee the independent auditors.

In addition, the Audit Committee shall prepare a report each year for inclusion in the Company’s annual proxy statement.

B. Membership:

The Committee shall consist of not less than two members of the Board of the Company. The members of the Committee shall be appointed by the Board annually. Each member of the Committee, in the judgment of the Board, shall be independent in accordance with the listing standards of Nasdaq Stock Market. In addition, each person may service on the Committee only if the Board determines that he or she is (i) able to read and understand financial statements and (ii) independent within the meaning of Rule 10A-3 under the Securities Exchange Act of 1934, as amended. At least one member of the Committee shall, in the judgment of the Board, be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission and have financial sophistication as required by the Nasdaq Stock Market.

The Chair of the Committee shall be appointed annually by the Board.

C. Meetings and Procedures:

The Committee shall meet at least quarterly and more frequently as it determines to be necessary or appropriate, and shall report to the Board at the next meeting of the Board following each such Committee meeting. The Committee shall periodically meet separately, in executive session, with management, the chief financial officer and the independent auditor.

The Committee may adopt such rules and procedures for the conduct of its affairs as it deems necessary or appropriate if not inconsistent with the Company’s Bylaws.

A majority of the members of the Committee shall constitute a quorum.

The Chair of the Committee or a majority of the members of the Committee may call special meetings of the Committee.

The Committee has the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee and/or provide such pertinent information as the Committee requests.

The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

D. Duties and Responsibilities:

The Committee shall have the following duties, responsibilities and authority:

1. The Committee shall retain (subject to ratification by the Company's shareholders), evaluate, and, where appropriate, replace the independent auditors, set the independent auditor's compensation, oversee the work of the independent auditor and pre-approve all audit services to be provided by the independent auditor. The Committee shall recommend ratification of the appointment of the independent auditor to the shareholders.

2. The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including their respective responsibilities and the adequacy of staffing and compensation.

3. The Committee shall establish policies and procedures for the engagement of the independent auditors to provide audit and permissible non-audit services, which shall include preapproval of permissible non-audit services to be provided by the independent auditors. The Committee shall approve in advance all permissible non-audit services to be provided by the independent auditors and the fees to be paid for such non-audit services.

4. At least annually, the Committee shall receive and review (a) a report from the independent auditor describing the independent auditors' internal quality-control procedures and any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board (PCAOB) 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 independent auditors, and any steps taken to deal with any such issues; (b) a formal written statement from the independent auditor describing all relationships between the independent auditors and the Company; and (c) other required reports from the independent auditor. The Committee shall discuss such reports with the independent auditors, including issues that impact the independent auditor's qualifications, performance or independence.

5. At least annually consider the independence of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence and evaluate, along with other members of the Board, management, the Chief Financial Officer, the qualifications, and performance, including the performance of the lead audit partner, of the Company's independent auditor.

6. The Committee shall, prior to the filing of the Form 10-Q or Form 10-K with the SEC, review and discuss with management and the independent auditor (a) the interim financial statements to be included in each quarterly report on Form 10-Q and the audited financial statements to be included in the Company's Annual Report on Form 10-K; (b) any significant financial reporting issues and judgments made in connection with the preparation of the financial statements; (c) any material changes in accounting principles or practices used in preparing the financial statements; (d) the items required by applicable generally accepted auditing standards relating to the conduct of the review or audit of the financial statements; (e) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations". Discussions of the results of the quarterly or annual review and any other matters required to be communicated to the Committee by the independent auditors shall include all matters required to be discussed under generally accepted auditing standards.

7. From time to time, the Committee will discuss the Company's policies and procedures with respect to earnings releases, financial information, and earnings guidance provided to analysts and rating agencies (This function may be performed by the chairperson or the full Committee).

8. The Committee will regularly review with the independent auditors (a) the scope and results of the independent auditor's audit of the Company's consolidated financial statements; (b) any problems or difficulties that the independent auditors encountered and management's response; (c) major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application of accounting principles; (d) any significant deficiency in the design or the operation of the Company's internal accounting controls identified by the independent auditors and any resulting recommendations; (e) critical accounting policies and practices used by the Company; (f) alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures; and (g) other material written communications between the independent auditors and management regarding financial reporting. The Committee will also discuss any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.

9. Review with the independent auditor, the Company's and members of management conducting the internal audit: (a) the adequacy and effectiveness of the systems of internal controls, accounting practices, and disclosure controls and procedures of the Company and (b) current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.

10. Based on the reviews described in paragraphs 6 and 9, the Committee shall make a recommendation to the Board as to whether the audited financial statements should be included

in the Company's Annual Report on Form 10-K or any other regulatory filings required to be filed.

11. The Committee will, from time to time, review and discuss with management, the internal auditors, and the independent auditors the company's policies with respect to risk assessment and risk management, control, and governance.

12. The Committee will review at least annually the scope and performance of the internal audit program, including procedures for implementing accepted recommendations made by the independent auditors and any significant matters contained in reports from the internal audit department.

13. The Committee will establish procedures for receipt, retention, and handling complaints regarding accounting, internal accounting controls, and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

14. Review the expenses of officers of the Company as the Committee deems appropriate.

15. The Committee shall prepare the report that regulations require to be included in the Company's annual proxy statement.

16. The Committee shall set clear hiring policies with regard to employees and former employees of the independent auditors.

17. The Committee shall annually review and reassess the adequacy of this charter and recommend any proposed changes to the board for approval.

18. The Committee shall annually review its own performance.

19. Perform such other responsibilities as may be assigned the Committee, from time to time, by the Board.

E. Delegation to Subcommittee:

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting of one or more members of the Committee.

F. Resources and Authority:

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without having to seek approval by the Board or the Company's management. Each Committee member shall have full access to all members of the Company's management. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the company.

G. Additional Authority:

The Committee is authorized to perform other duties or adopt other policies or procedures, consistent with the scope of this Charter, as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

Adopted by the Audit Committee on December 7, 2010.

Adopted by the Board of Directors on December 7, 2010.

Amended by the Board of Directors on January 24, 2012.