

**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF
WESTERN NEW ENGLAND BANCORP, INC.
CHARTER**

I. STATEMENT OF POLICY

The primary function of the Audit Committee of the Board of Directors of Western New England Bancorp, Inc. (“Company”) is to oversee the accounting and financial reporting processes of the Company and audits of the Company’s financial statements. In addition, the Audit Committee must provide assistance to the Company’s Board of Directors (the “Board”) in fulfilling its responsibilities to the Company’s shareholders and the investment community relating to the Company’s accounting and reporting practices and the quality and integrity of the Company’s financial reports. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication among the Board, independent auditors, internal auditors and senior management.

II. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee shall consist of no fewer than three members, each of whom shall meet the criteria for independence established by the rules and regulations of the NASDAQ Stock Market and who the Board has affirmatively determined does not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment as an Audit Committee member. At least one Committee member must be an “Audit Committee Financial Expert,” as defined by the rules and regulations of the Securities and Exchange Commission and the NASDAQ Stock Market. Audit Committee members and the Audit Committee chairperson shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. If an Audit Committee chairperson is not designated or present, the members of the Audit Committee may designate a chairperson by majority vote of the Audit Committee membership. Further, Audit Committee members shall meet the membership requirements as set forth in the Company’s Corporate Governance Guidelines, Section B, subsection 2(c) – Additional Audit Committee Membership Requirements.

III. NEW MEMBER ORIENTATION

Newly appointed Committee members shall complete an orientation schedule with members of Management and the Committee Chair to fully understand their role and responsibilities associated with serving on this Committee.

IV. MEETINGS

The Audit Committee shall meet at least four (4) times a year or more frequently as circumstances require. The Audit Committee shall maintain minutes of each meeting

of the Audit Committee and shall report the significant actions of the Audit Committee to the Board, with such recommendations as the Audit Committee deems appropriate. The Audit Committee may also meet periodically with the internal auditor, the independent auditors and the Company's financial management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

V. RESPONSIBILITIES AND DUTIES OF THE AUDIT COMMITTEE

The primary duties and responsibilities of the Audit Committee are to oversee and monitor the Company's financial reporting process and internal control system and review and evaluate the performance of the Company's independent auditors and internal auditing staff. In fulfilling these duties and responsibilities, the Audit Committee shall take the following actions, in addition to performing such functions as may be assigned by law, the Company's Articles of Organization, the By-Laws or the Board:

1. The Audit Committee shall review and reassess this Charter annually and recommend any proposed changes to the Board for approval.
2. The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any independent auditor 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 Company. The independent auditor must report directly to the Audit Committee.
3. The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms) to be performed for the Company by its independent auditor, subject to the de minimis exception for non-audit services described below which are approved by the Committee prior to completion of the audit.

Exception. The pre-approval requirement set forth above, shall not be applicable with respect to non-audit services if:

- A. the aggregate amount of all such services provided constitutes no more than five percent of the total amount of revenues paid by the Company to its auditor during the fiscal year in which the services are provided;
- B. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- C. such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee or

by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Delegation. The Audit Committee may delegate to one or more designated members of the Committee the authority to grant required pre-approvals. The decisions of any member to whom authority is delegated under this paragraph to pre-approve activities under this subsection shall be presented to the full Audit Committee at its next scheduled meeting.

4. The Audit Committee, in its capacity as a committee of the Board, shall determine, and the Company shall provide, funding 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 Company; (ii) compensation to any advisers employed by the Audit Committee, and as permitted by this Charter; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
5. As part of the audit process, the Audit Committee shall meet with the independent auditors to discuss and determine the scope of the audit. The Audit Committee shall determine that the independent audit team engaged to perform the external audit consists of competent, experienced, financial institution auditing professionals.
6. The Audit Committee shall require the independent auditors to submit, on an annual basis, a formal written statement setting forth all relationships between the independent auditors and the Company that may affect the objectivity and independence of the independent auditors, consistent with Independence Standards Board Standard No. 1, and the Audit Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors. The Audit Committee shall take, or recommend that the full Board take, appropriate action to ensure the independence of the independent auditors.
7. The Audit Committee shall review with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No.1301 “Communications with Audit Committees,” any difficulties encountered in the course of the audit, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

8. The Audit Committee shall require the independent auditors to advise the Company if it becomes aware that any officer or employee of the Company, or its direct or indirect subsidiaries or affiliates, is related to a partner, employee or other representative of the independent auditors, to the extent that such relationship might adversely affect the Company under applicable auditing standards.
9. The Audit Committee shall meet with the independent auditors, with no management in attendance, to openly discuss the quality of the Company's accounting principles as applied in its financial reporting, including issues such as (a) the appropriateness, not just the acceptability, of the accounting principles and financial disclosure practices used or proposed to be used by the Company, (b) the clarity of the Company's financial disclosures and (c) the degree of aggressiveness or conservatism that exists in the Company's accounting principles and underlying estimates and other significant decisions made by the Company's management in preparing the financial disclosure and reviewed by the independent auditors. The Audit Committee shall meet among themselves, without operating management or the independent auditors being present, when deemed necessary.
10. The Audit Committee shall require the independent auditors, in reviewing the Company's financial reporting and in advising the Audit Committee, to take into account the requirements imposed by, and the interpretations of, the applicable federal and state banking regulators.
11. The Audit Committee shall meet with the independent auditors and management to review the Company's quarterly reports on Form 10-Q and annual report on Form 10-K and discuss any significant adjustments, management judgments and accounting estimates and any significant new accounting policies before such forms are filed with the U.S. Securities and Exchange Commission.
12. Upon the completion of the annual audit, the Audit Committee shall review the audit findings, including any comments or recommendations of the independent auditors, with the entire Board and state its recommendation to the Board as to whether the audited financial statements should be included in the Company's annual report on Form 10-K.
13. The Audit Committee must assure itself that the internal auditor is free from operational duties, and that the internal auditor reports directly to the Board or to the Audit Committee regarding any audit concerns or problems.
14. The Audit Committee shall meet at least annually with the Company's internal auditors to assure itself that the Company has a strong internal auditing function by reviewing the internal audit plan and assessing (grading) risk areas along with a proper control environment that promotes accuracy and efficiency in the Company's operations. The Audit Committee should ensure the audit plan is

comprehensive and covers the financial reporting process, regulatory compliance and information technology considerations.

15. The Chairperson of Audit Committee shall receive, in advance of any Audit Committee meeting, reports from the Company's internal auditors, which include a summary of findings from completed internal audits and a progress report on the internal audit plan, together with explanations for any deviations from the original plan.
16. The Audit Committee shall review the internal audit function of the Company, including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the independent auditors.
17. The Audit Committee shall appoint, replace, reassign or dismiss the Company's internal auditor as may be warranted.
18. The Audit Committee shall determine whether the internal audit function may be performed by a staff internal auditor or may be outsourced to a third party, as deemed appropriate.
19. The Audit Committee shall consider and review with management and the internal auditor: (a) significant findings during the year and management's responses thereto, including the status of previous audit recommendations, (b) any difficulties encountered in the course of their audits, including any restrictions on the scope of activities or access to required information, (c) any changes required in the planned scope of the internal audit plan and (d) the internal auditing department budget and staffing.
20. The Audit Committee shall consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices, as suggested by the independent auditors, the internal auditor or management, and the Audit Committee shall review with the independent auditors, the internal auditor and management the extent to which such changes have been implemented (to be done at an appropriate amount of time subsequent to the implementation of such changes, as decided by the Audit Committee).
21. The Audit Committee shall inquire of the Company's chief executive officer and chief financial officer as to the existence of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

22. The Audit Committee shall investigate or consider such other matters within the scope of its responsibilities and duties as the Audit Committee may, in its discretion, determine to be advisable. The Audit Committee shall have the authority to engage independent counsel and other advisers, as it deems necessary to carry out its duties.
23. The Audit Committee shall prepare any report required by the rules of the U.S. Securities and Exchange Commission to be included in the Company's annual proxy statement and also shall review other relevant reports or financial information submitted by the Company to any governmental body or to the public, including management certifications, if any, as required by the SarbanesOxley Act of 2002.
24. The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
25. The Audit Committee shall establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

VI. COMMITTEE ANNUAL SELF-PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall report the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.