

Virginia Bankers Association
Charter of the Audit Committee of the Board of Directors

The VBA Audit Committee shall be appointed by the VBA Chairman, in consultation with the Chairs of VBA Benefits Corporation and VBA Management Services, Inc., and shall consist of two members from the VBA Board of Directors and one member each from the Benefits and Management Services Boards. The VBA Chairman will also appoint the Chair of the Audit Committee.

The Audit Committee's primary responsibilities and duties are to:

- Appoint the independent auditors for VBA and subsidiaries, including meeting with candidate firms if so desired by the Committee.
- Approve all non-audit services performed by the independent auditors after determining that they do not adversely affect the auditor's independence.
- Meet with the independent auditors, including time without management or internal accountants present, to review the prior year's audit for VBA and subsidiaries, and report results and any recommendations to the VBA Board and subsidiary boards.
- Monitor the integrity of the Association's financial reporting process and systems of internal controls regarding finance, accounting and related legal compliance.
- Provide an avenue for communication and disagreement resolution among the independent auditors, management, the internal accounting department, and the Board of Directors.
- Review areas of potential significant risk to the Association as they relate to financial accounting and reporting.
- Report to the Board of Directors any significant areas of risk or recommendations to improve the policies, procedures and practices of the Association as they relate to financial accounting and reporting.
- Evaluate complaints received by the Association regarding accounting, internal controls, and auditing for appropriate treatment.
- Retain, at the Association's expense and subject to Board approval, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

If the Audit Committee's review of the prior year audit is not complete by the end of the VBA program year, the standing Audit Committee may elect to complete its review, after which the Committee appointed by the incoming VBA Chairman will assume its responsibilities.