

**VIRGINIA COMPANY BANK
AUDIT COMMITTEE CHARTER
DATE APPROVED BY BOARD: March 24, 2010**

Purpose

The Audit Committee is appointed by the Board to be directly responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by the Bank and to assist the Board in oversight of (1) the integrity of the financial statements of the Bank, (2) the compliance by the Bank with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Bank's internal audit function, when created, and independent auditors.

The Audit committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Bank's annual proxy statement.

Committee Membership

The Audit Committee shall consist of no fewer than three members and each member shall be a member of the Board. The members of the Audit Committee shall meet the independence, experience, and expertise requirements of the New York Stock Exchange, Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission promulgated there under.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Executive Committee. Audit Committee members may be removed and replaced by the Board, with or without cause, in the Board's sole discretion.

Committee Authority and Responsibilities

1. The Audit Committee shall have the sole authority to appoint and replace the independent auditor (subject, if applicable, to shareholder ratification), and to approve all audit engagement fees and terms and any non-audit engagements (to the extent permitted under applicable law) with the independent auditors. As determined by the Audit Committee, the Bank shall provide for appropriate funding for payment of compensation to the independent auditors employed by the Bank for the purpose of rendering or issuing an audit report or related work or performing other audit, review, or attest services for the Bank.
2. The Audit Committee shall meet as often as it determines necessary, but not less frequently than annually.
3. The Audit Committee may form and delegate authority to subcommittees when appropriate.
4. The Audit Committee shall have the authority, without seeking Board approval, to retain independent counsel and other advisors as it determines necessary to carry out its duties.
5. As determined by the Audit Committee, the Bank shall provide appropriate funding for payment of compensation to any such advisors.
6. The Audit Committee shall meet with management, the internal auditor, if one exists, and the independent auditor in separate executive sessions at least annually.
7. The Audit Committee shall make regular reports to the Board.
8. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

9. The Audit Committee shall annually review the Audit Committee's own performance.
10. The Audit Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.
11. The Audit Committee, with respect to the following matters, also shall:
 - Review and discuss with management and the independent auditor the annual audited and quarterly financial statements, including the Bank's disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations": and, in the case of quarterly financial statements, the results of the independent auditors' reviews of the quarterly financial statements, if any.
 - Review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Bank's financial statements, including any significant changes in the Bank's selection or application of accounting principles, any major issues as to the adequacy of the Bank's internal controls, the development, selection, and disclosure of critical accounting principles and estimates, and analysis of the effect of alternative assumptions, estimates or GAAP methods on the Bank's financial statements.
 - Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives on the Bank's financial statements.
 - Review and discuss with management the Bank's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
 - Discuss with management, internal audit staff and the independent auditor the Bank's major financial risk exposures and the steps management has taken to monitor and control such exposures and discuss with such persons guidelines and policies to govern the procedures by which risk assessment and risk management is undertaken.
 - Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit. In particular, discuss 1) the adoption of, or changes to, the Bank's significant auditing and accounting principles and practices as suggested by the independent auditor, internal auditors, or management, 2) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor and the Bank's response to that letter and 3) any difficulties encountered in the course of the audit work, including any restrictions on the independent auditor's scope of activities or access to requested information, and any significant disagreements with management.
 - Review with the full Board any issues that arise with respect to the quality and integrity of the Bank's financial statements.
 - Review the experience and qualifications of the senior members of the independent auditor team.

- Obtain and review a report from the independent auditor at least annually describing (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review of the auditor, 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 auditor, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Bank to assess the auditor's independence.
- Evaluate the qualifications, performance, and independent auditor, including the review and evaluation of the lead partner of the independent auditor, assure regular rotation of the lead audit partner in accordance with applicable law and consider whether, in order to assure continuing auditor independence, there should be a regular rotation of the audit firm itself and whether the auditor's quality controls are adequate and the provision of non-audit services is in compliance with applicable law and compatible with maintaining the auditor's independence, taking into account the opinions of management and the internal auditor.
- Set clear hiring policies for the Bank's hiring of employees or former employees of the independent auditor who were engaged on the Bank's account.
- Discuss with the national office (if any) of the independent auditor issues on which they were consulted by the Bank's audit team and matters of audit quality and consistency.
- Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.
- Review the appointment and replacement of the executive responsible for internal audit functions, which functions may be outsourced.
- Review the significant reports to management prepared by the internal auditing function and management's responses.
- Discuss with the independent auditor the internal audit responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- Review with the full Board any issues that arise with respect to the performance of the internal audit function.
- Review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the Bank. This should include regular reviews of the compliance processes in general. In connection with these reviews, the committee will meet, as deemed appropriate, with the general counsel and other Bank officers or employees.
- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Bank's financial statements or accounting policies.
- Discuss with the Bank's General Counsel legal matters that may have a material impact on the financial statements or the Bank's compliance policies.
- Establish procedures for the receipt, retention, and treatment of complaints received by the Bank regarding accounting, internal accounting controls, or auditing matters.
- Establish procedures for the confidential, anonymous submission by employees of the Bank, or any subsidiary of concerns regarding questionable accounting or auditing matters.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Bank's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.