



CHARTER OF THE AUDIT COMMITTEE

This charter sets forth the composition, authority, duties and responsibilities of the Audit Committee of the board of Directors of VantageSouth Bank (the “Bank”).

Purpose

The Audit Committee (the “Committee”) is established as a committee of the Bank’s Board of Directors generally to:

- Oversee, on behalf of the Board of Directors, the Bank’s accounting and financial reporting processes, as well as ensuring the quality and integrity of the financial reports and other operating controls of the Bank.
- To have such specific or other duties and responsibilities relating to operational risks, regulatory compliance, internal controls, and accounting and financial reporting of the Bank as are described in this Charter or as are assigned to it from time to time by the Board of Directors.

Composition and Appointment

The committee will be comprised of not less than three non-management (independent) Board members who will be appointed annually by the board of Directors. The Chairman of the board of Directors will appoint one of the members of the committee to serve as Committee Chairman. Members of the committee shall be financially literate, and at least one member shall have accounting, related financial management expertise, or other comparable experience of background that results in the individual’s financial sophistication.

Committee Meetings

The Committee will meet as necessary, but not less than two times per year. Dates, times and locations of meetings will be determined by the committee or by its Chairman. A majority of the number of members then serving on the Committee will constitute a quorum. The Committee itself will determine who, if anyone, other than Committee members may be present during its deliberations or voting on any matter. The Committee will keep minutes of its meetings and, following each Committee meeting, the

Chairman will make a report to the board of Directors at its next scheduled meeting regarding the deliberations of or actions taken by the Committee.

Responsibilities

In carrying out its responsibilities, the Committee will:

- Select, evaluate, approve the compensation for, and, where appropriate, replace the Bank's independent auditors.
- Meet with the Bank's independent auditors to review and discuss the scope and estimated cost of the annual audit and the results of the auditors' work, including reports, management letters and the auditors' review of the Bank's account procedures and internal controls. The Committee shall report all communications to the full Board.
- Review the internal audit function of the Bank, including proposed audit plans, and meet with internal auditors (or outsourced internal auditors) as necessary, to receive and evaluate reports on internal audit results.
- Review, as appropriate, changes in accounting standards or rules; any unusual accrual or reserve having a material effect; adequacy or tax and other reserves; and outstanding litigation.
- Generally satisfy itself that the Bank's accounting practices and internal control systems are adequate to safeguard corporate assets and to ensure reliable and informative financial reporting, compliance with laws and regulations, and adherence to a high standard of business conduct.
- Establish policy, procedures and forms for the receipt, retention and treatment of complaints or concerns received by the Bank regarding accounting, internal accounting controls, or auditing matters; and for the confidential and anonymous submission by employees of information relating to questionable accounting or auditing matters.

Authority

The Committee is authorized to perform each of its duties and responsibilities listed in this Charter. If it considers it appropriate, the Committee may delegate any of its responsibilities to a subcommittee. In discharging its responsibilities, the Committee is authorized to retain outside counsel or other consultants in accordance with procedures established by the Committee, and it has the authority to approve all terms of the engagement of those consultants, including their fees or other compensation.

In performing its duties under this Charter, the Committee may conduct such investigation and request and consider such information (from management or otherwise) as it shall consider necessary, relevant or helpful in its deliberations and the formulation of its recommendations.

Annual Assessment of Adequacy of Charter

The Committee will, on an annual basis, review and reassess the adequacy of this Charter and recommend any proposed changes to the board of Directors for approval.