

UNITED COMMUNITY BANKS, INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

I. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by United Community Banks, Inc. ("the Company") to the Securities and Exchange Commission ("SEC") or the public; the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics established by management and the Board; and the Company's auditing, accounting and financial reporting processes generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting process and internal control systems.
- Review and assess the performance of the Company's independent accountants and internal auditing department.
- Facilitate open communication among the independent accountants, financial and senior management, the internal auditing department, and the Board of Directors.

The Audit Committee will primarily fulfill these responsibilities through the activities enumerated in Section IV. of this Charter. This Charter is designed to comply with the guidelines promulgated in the Report and Recommendations of *the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees*, issued in 1999, federal securities laws and the rules and regulations of the National Association of Securities Dealers (the "NASD").

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

II. COMPOSITION

The Audit Committee shall be comprised of three or more directors as determined by the Board of Directors, each of whom shall be independent directors as defined by the NASD and the federal securities laws.

All members of the Audit Committee shall be able to read and understand fundamental financial statements or become able to read and understand such financial statements within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee must be a financial expert, as defined by the SEC. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs.

The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

III. MEETINGS

The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. To foster open communication, the Audit Committee should meet periodically with management, the

director of the internal auditing department and the independent accountants in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee shall meet with the independent accountants and management quarterly to review the Company's financial statements.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

Documents/Reports Review

1. Review the Company's annual audited financial statements and any reports or other financial information submitted to the SEC or the public, including any certification, report, opinion, or review rendered by the independent accountants.
2. Review the regular internal reports to management prepared by the internal auditing department and management's responses.
3. Review and discuss with management and the independent accountants the Company's Form 10-K, including disclosures made in management's discussion and analysis.
4. Review and discuss with management and the independent accountants the Company's quarterly financial statements and reports on Form 10-Q, including the results of the independent auditors review of such financial statements and reports.
5. Discuss with management and the independent accountants significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
6. Review reports of examinations made by federal and state banking examiners and ascertain that all operational deficiencies set forth in such exams are adequately addressed.
7. Review the internal analysis of the adequacy of the allowance for loan losses.

Independent Accountants

8. Select the independent accountants, considering independence and effectiveness, and approve the fees and other compensation to be paid to the independent accountants. On an annual basis, the Audit Committee shall review and discuss with the accountants any significant non-audit relationships the accountants have with the Company to determine the accountants' independence.
9. Review the performance of the independent accountants and discharge the independent accountants when circumstances warrant.
10. Periodically consult with the independent accountants out of the presence of management about internal controls and the fullness and accuracy of the organization's financial statements.
11. Preapprove all non-audit services provided by the independent accountants (including the fees and terms thereof) in accordance with policies and procedures established by the Audit Committee and applicable legal and regulatory requirements and not engage them to perform any specific non-audit services prohibited by law or regulation.

12. Confirm partners who will participate in the audit comply with the rotation and non-audit compensation requirements of the SEC and other applicable regulatory bodies.

Financial Reporting Processes

13. In consultation with the independent accountants and the internal auditors, review the integrity of the Company's financial reporting processes.
14. Consider the independent accountants' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
15. Consider and approve major changes to the Company's auditing and accounting principles and practices as suggested by the independent accountants, management, or the internal auditing department.

Process Improvement

11. Establish regular and separate systems of reporting to the Audit Committee by each of management, the independent accountants and the internal auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
16. Following completion of the annual audit, review separately with each of management, the independent accountants and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
17. Review any significant disagreement among management and the independent accountants or the internal auditing department in connection with the preparation of the financial statements.
18. Review with the independent accountants, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.)
19. Review information regarding the independent accountants' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent accountants, or any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to any independent audits carried out by the independent accountants, and any steps taken to deal with any such issues.
20. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Forms 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Ethical and Legal Compliance

21. Establish, review and update periodically a Code of Ethical Conduct and ensure that management has established systems to enforce the Code.
22. Review management's monitoring of the Company's compliance with the Company's Code of Ethical Conduct, and ensure that management has the proper review systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.

23. Review activities, organizational structure, and qualifications of the internal audit department.
24. Review, with the Company's counsel, legal compliance matters including corporate securities trading policies.
25. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
26. Perform any other activities consistent with this Charter, the Company's By-laws and governing law.
27. Approve procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; the confidentiality, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and the review of such confidential information.

V. OUTSIDE ADVISORS

The Audit Committee may retain independent counsel, accountants or other professional advisors to assist it in carrying out its responsibilities. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of any such advisors retained by the Audit Committee.