

UNION BANKSHARES CORPORATION

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (“Audit Committee” or “Committee”) is appointed by the Board of Directors of Union Bankshares Corporation (“Board”) to oversee the accounting and financial reporting processes of Union Bankshares Corporation (“Company”) and audits of the Company's financial statements. In that regard, the Audit Committee assists the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the registered public accountant's qualifications and independence, (3) the performance of the Company's internal audit function and registered public accountant, and (4) the compliance by the Company with certain legal and regulatory requirements.

Committee Membership

The Audit Committee shall consist of no fewer than three members. The members of the Audit Committee shall be appointed and may be replaced by the Board.

Each member of the Audit Committee shall meet the independence and experience requirements of The NASDAQ Stock Market, Inc. Marketplace Rules and the Securities Exchange Act of 1934 (the "Exchange Act"). All members of the Audit Committee shall be able to read and understand fundamental financial statements. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company in the past three years. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Securities and Exchange Commission (the “Commission”). However, one director

who does not meet the NASDAQ definition of independence, but who meets the criteria set forth in §10A(m)(3) under the Exchange Act and the rules there under, and who is not a current officer or employee or a family member of such person, may serve for no more than two years on the audit committee if the Board, under exceptional and limited circumstances, determines that such individual's membership is required by the best interests of the Company and its shareholders. Such person must satisfy the independence requirements set forth in §10A(m)(3) of the Exchange Act, and may not chair the Audit Committee. The use of this "exceptional and limited circumstances" exception, as well as the nature of the individual's relationship to the company and the basis for the board's determination, shall be disclosed in the annual proxy statement.

In addition, if an audit committee member ceases to be independent for reasons outside the member's reasonable control, his or her membership on the audit committee may continue until the earlier of the Company's next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to qualify as independent. If the Company is not already relying on this provision, and falls out of compliance with the requirements regarding audit committee composition due to a single vacancy on the audit committee, then the Company will have until the earlier of the next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. The Company shall provide notice to NASDAQ immediately upon learning of the event or circumstance that caused the non-compliance, if it expects to rely on either of these provisions for a cure period.

Meetings

The Audit Committee shall meet as often as it determines necessary but not less frequently than quarterly. The Audit Committee shall meet periodically in separate executive sessions with management, the internal auditors, and the registered public accountant, and have such other direct

and independent interaction with such persons from time to time as the Audit Committee deems appropriate. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or registered public accountant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Minutes, that provide an accurate record of the proceedings including all actions taken by the Committee, shall be prepared for all meetings of the Audit Committee. The Committee shall approve the minutes of each meeting.

Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint, determine funding for, and oversee the outside auditors, with the appointment being subject to shareholder ratification. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the registered public accountant (including resolution of disagreements between management and the registered public accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The registered public accountant shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services, internal control related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its registered public accountant, subject to the *de minimis* exception for non-audit services that are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, the authority to grant pre-approvals of audit and permitted non-audit

services, provided that decisions of any such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to conduct or authorize investigations into any matter within its scope of responsibilities and, to the extent it deems necessary or appropriate, to engage and determine funding for independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the registered public accountant for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and for payment of compensation for independent legal, accounting, and any other advisors employed by the Audit Committee, as well as funding for the payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter and Appendix annually and recommend any proposed changes to the Board for approval. In addition, the Audit Committee shall review its effectiveness.

The Audit Committee shall prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

- Adhere to and follow the checklist attached to this charter as Appendix A.

Financial Statement and Disclosure Matters

- Review and discuss with management and the registered public accountant the annual audited financial statements, including disclosures required under Regulation S-K of the Securities Act of 1934 and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
- Review and discuss with management (including the senior internal auditing executive) and the registered public accountant the Company's internal controls report and the registered public accountant's attestation of the report prior to the filing of the Company's Form 10-K.
- Review and discuss with management other sections of the Company's Form 10-K prior to filing.
- Review and discuss with management and the registered public accountant the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the registered public accountant's review of the quarterly financial statements.
- Discuss with management and the registered public accountant 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
- Review and discuss with management and the registered public accountant any major

issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.

- Review and discuss with management and the registered public accountant the quality of earnings and how management develops interim financial information, including the nature and extent of internal auditor and registered public accountant involvement.

- Review and discuss with the registered public accountants, quarterly financial statements and related disclosures included in Form 10-Q:
 - all critical accounting policies and practices to be used;

 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accountant; and

 - other material written communications between the registered public accountant and management, such as any management letter or schedule of unadjusted difference.

- Discuss with management and the registered public accountant the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

- Review with General Counsel of the Company, or the Company's outside legal counsel regulatory matters that may have a material impact on the financial statements.
- Review and discuss with management the Company's major financial risk exposures (including significant accounting and reporting changes or issues, complex or unusual transactions, estimations or judgmental areas such as allowance for loan losses, recent professional and regulatory pronouncements, and management's use of corporate assets) and the steps management has taken to monitor and control such exposure, including the Company's risk assessment and risk management policies.
- Discuss with the registered public accountant the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies and improvements in the design or operation of internal controls or material weaknesses, the remediation of any material weakness and any fraud involving management or other employees who have a significant role in the Company's internal controls.
- Management shall advise the Committee immediately when it appears likely that the

opinion of the registered public accountant may be other than an unqualified opinion. This requirement applies to both the financial statements and as required by Item 307 to the report on disclosure control and procedures.

- Ensure that a public announcement of the Company's receipt of an audit opinion other than an unqualified opinion is made promptly.

Oversight of the Company's Relationship with the Registered Public Accountant

- Review and evaluate the lead partner of the registered public accountant team.
- Obtain and review a report from the registered public accountant at least annually regarding (a) the registered public accountant's internal quality control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm and (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the registered public accountant, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the registered public accountant to the Board.
- Obtain from the registered public accountant a formal written statement delineating all

relationships between the registered public accountant and the Company. The Audit Committee shall discuss with the registered public accountant any disclosed relationships or services that may impact the objectivity and independence of the auditor and for purposes of taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor.

- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Recommend to the Board policies for the Company's hiring of employees or former employees of the registered public accountant.
- Discuss with the registered public accountant material issues related to the Company on which the engagement partner or concurring partner consulted with one or more individuals employed by or representing the registered public accountant not involved in the audit of the Company.
- Meet with the registered public accountant prior to the commencement of audit field work to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

- Be responsible for the appointment, evaluation, and replacement of the senior internal auditing executive.

- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.
- Review the significant reports to management prepared by the internal auditing department and management's responses.
- Discuss with the registered public accountant and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

Compliance Oversight Responsibilities

- Review the effectiveness of the Company's compliance programs that may have a material impact on the financial reporting process.
- Obtain from the registered public accountant assurance that §10A(b) of the Exchange Act has not been implicated.
- Obtain reports from management, the Company's senior internal auditing executive and the registered public accountant that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

- Approve all related party transactions as required by NASDAQ Rule 4350(h).
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Discuss with management and the registered public accountant any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

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 Company's financial statements and disclosures are complete and accurate and are in accordance with accounting principles generally accepted in the United States and applicable rules and regulations. These are the responsibilities of management and the registered public accountant.

**UBSH Audit Committee
Audit Committee Charter Checklist
Appendix A**

Item	Audit Committee Responsibilities	Steps to Fulfill Responsibilities	Jan	Feb	April	July	Oct
This checklist shall be a guide. In fulfilling these responsibilities, the Committee may meet in-person, by electronic means, or by tele-conference.							
Financial Statements and Disclosure Matters							
1	Review and discuss with management and the registered public accountant the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee at completion of the annual audit. Audit Committee members are provided draft financials in advance of the meeting. Audit Committee makes recommendation to the UBSH Board.		X			
2	Review and discuss with management (including the senior internal auditing executive) and the registered public accountant the Company's internal controls report and the registered public accountant's attestation of the report prior to the filing of the Company's Form 10-K.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee at completion of the annual audit.		X			
3	Review and discuss with management other sections of the Company's Form 10-K prior to filing.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee at completion of the annual audit.		X			

4	Review and discuss with management and the registered public accountant the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the registered public accountant's review of the quarterly financial statements.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee quarterly.			X	X	X
5	Discuss with management and the registered public accountant 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.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee.	X	X	X	X	X
6	Review and discuss with management and the registered public accountant any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee. Internal Audit provides regular reports on internal controls testing.	X	X	X	X	X
7	Review and discuss with management and the registered public accountant the quality of earnings and how management develops interim financial information, including the nature and extent of internal auditor and registered public accountant involvement.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee quarterly. Internal Audit reviews the quarter-end and year-end financials.		X	X	X	X

8	Review and discuss quarterly financial statements and related disclosures in Form 10-Q from the registered public accountants on: 1) all critical accounting policies and practices to be used; 2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accountant; and 3) other material written communications between the registered public accountant and management, such as any management letter or schedule of unadjusted difference.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee quarterly.			X	X	X
9	Discuss with management and the registered public accountant the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee quarterly.		X	X	X	X
10	Review with General Counsel of the Company, or the Company's outside legal counsel regulatory matters that may have a material impact on the financial statements.	Director of Internal Audit to communicate with UBSH General Counsel or outside legal counsel quarterly. Counsel will be requested to attend meetings as needed.	X		X	X	X

<p>11</p>	<p>Review and discuss with management the Company's major financial risk exposures (including significant accounting and reporting changes or issues, complex or unusual transactions, estimations or judgmental areas such as allowance for loan losses, recent professional and regulatory pronouncements, and management's use of corporate assets) and the steps management has taken to monitor and control such exposure, including the Company's risk assessment and risk management policies.</p>	<p>UBSH CFO and UBSH Controller meet with the Audit Committee. UBSH Risk Manager provides a quarterly report to the Audit Committee. Audit prepares a synopsis of the quarterly report. Risk Manager will attend meetings as requested.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>12</p>	<p>Discuss with the registered public accountant the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.</p>	<p>External auditors meet with the Audit Committee at completion of the annual audit.</p>		<p>X</p>			
<p>13</p>	<p>Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies and improvements in the design or operation of internal controls or material weaknesses, the remediation of any material weakness and any fraud involving management or other employees who have a significant role in the Company's internal controls.</p>	<p>External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee quarterly.</p>		<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>

14	Management shall advise the Committee immediately when it appears likely that the opinion of the registered public accountant may be other than an unqualified opinion. This applies to both the financial statements and, as required by Item 307, the report on disclosure control and procedures.	As needed - External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee.	X	X	X	X	X
15	Ensure that a public announcement of the Company's receipt of an audit opinion other than an unqualified opinion is made promptly.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee.	X	X			
Oversight of the Company's Relationship with the Registered Public Accountant							
16	Review and evaluate the lead partner of the registered public accountant team.	External auditors meet with the Audit Committee during the initial re-engagement meeting for the annual audit. Engagement letters to be provided to the Audit Committee in the first quarter of the year. The engagement letters are evaluated/approved prior to the issuance of the first quarter Form 10-Q.		X			

<p>Obtain and review a report from the registered public accountant at least annually regarding (a) the registered public accountant's internal quality control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm and (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the registered public accountant, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the registered public accountant to the Board.</p>	<p>External auditors meet with the Audit Committee at completion of the annual audit. Audit Committee Chairman will present to Board.</p>		<p>X</p>			
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18	Obtain from the registered public accountant a formal written statement delineating all relationships between the registered public accountant and the Company. The Audit Committee shall discuss with the registered public accountant any disclosed relationships or services that may impact the objectivity and independence of the auditor and for purposes of taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor.	External auditors meet with the Audit Committee at completion of the annual audit.		X			
19	Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.	External auditors meet with the Audit Committee during the initial re-engagement meeting for the annual audit. Engagement letters to be provided to the Audit Committee in the first quarter of the year. The engagement letters are evaluated/approved prior to the issuance of the first quarter Form 10-Q.		X			
20	Recommend to the Board policies for the Company's hiring of employees or former employees of the registered public accountant.	The Company is required to comply with Section 10a (I) of the Securities Act of 1934, as amended. All contemplated hiring of employees and former employees of the registered public accountant will be reviewed by the Committee, as encountered.					
21	Discuss with the registered public accountant material issues related to the Company on which the engagement partner or concurring partner consulted with one or more individuals employed by or representing the registered public accountant not involved in the audit of the Company.	External auditors, Director of Internal Audit, UBSH CFO and UBSH Controller meet with the Audit Committee at completion of the annual audit.		X			

22	Meet with the registered public accountant prior to the commencement of audit field work to discuss the planning and staffing of the audit.	External auditors meet with the Audit Committee during the planning phase of the annual audit.						X
Oversight of the Company's Internal Audit Function								
23	Be responsible for the appointment, evaluation, and replacement of the senior internal auditing executive.	As needed - Appointment, replacement and evaluation of the Director of Internal Audit performed by the Audit Committee. Evaluation must be performed at least annually.						
24	Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.	Internal Audit Charter, policies and procedures presented to the Audit Committee annually. Status of the Audit Plan presented to the Audit Committee quarterly.					X	
25	Review the significant reports to management prepared by the internal auditing department and management's responses.	Audit Committee receives reports quarterly. Significant outstanding findings are provided to the Audit Committee quarterly.	X		X	X	X	X
26	Discuss with the registered public accountant and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.	Audit Committee reviews the budget and plan in January each year. A copy of the plan is provided to the registered public accounting firm, once approved by the Committee.	X					
Compliance Oversight Responsibilities								
27	Review the effectiveness of the Company's compliance programs that may have a material impact on the financial reporting process.	Via review of internal audit reports and discussion with management.	X		X	X	X	X
28	Obtain from the registered public accountant assurance that §10A(b) of the Exchange Act has not been implicated.	Registered Public Accountant is required to report quarterly the detection or awareness of any illegal acts.	X	X	X	X	X	X

29	Obtain reports from management, the Company's senior internal auditing executive and the registered public accountant that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.	Internal Audit tests for compliance with law, regulations, policies, and the Code of Ethics. Audit findings will be presented to the Audit Committee as identified.					
30	Approve all related party transactions as required by NASDAQ Rule 4350(h).	Internal Audit will identify and report to the Audit Committee.	X	X	X	X	X
31	Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.	Employee Complaint Procedure for Accounting and Auditing Matters is maintained on the intranet. Audit is named to receive employee complaints. These are forwarded and discussed with the Committee, as required.					
32	Discuss with management and the registered public accountant any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.	UBSH CFO and UBSH Controller meet with the Audit Committee quarterly and at completion of the annual audit. External auditors meet with the Audit Committee during the planning of the annual audit and at the conclusion of the annual audit.	X	X	X	X	X

	Other Responsibilities						
33	The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.	Prepare the Audit Committee report for the Proxy. Director of Internal Audit updates letter for external auditor fees and audit committee members. Legal Counsel reviews to ensure all necessary items are included.		X			
34	The Audit Committee shall have the sole authority to appoint, determine funding for, and oversee the outside auditors, with the appointment subject to shareholder ratification.	Engagement letters to be provided to the Audit Committee in the first quarter of the year. The engagement letters are to be evaluated/approved prior to the issuance of the first quarter Form 10-Q.					
35	The Audit Committee shall make regular reports to the Board.	Audit Committee Chairman makes report to the UBSH Board.	X	X	X	X	X
36	The Audit Committee shall review and reassess the adequacy of this Charter and Appendix annually and recommend any proposed changes to the Board for approval.	Charter is reviewed/revised annually at the July meeting.				X	
37	The Audit Committee shall review its effectiveness.	Audit Committee members to complete the Audit Committee Self-Evaluation Tool as presented in The AICPA Audit Committee Toolkit (p. 106 & 107).	X				