

VIRGINIA COMMERCE BANCORP, INC.
AUDIT COMMITTEE CHARTER

February 25, 2004

The primary function of the Audit Committee is to oversee and report to the Board of Directors regarding the 1) integrity of the financial statements and accounting and financial reporting processes of Virginia Commerce Bancorp and its subsidiaries (the "Company"), 2) the Company's compliance with legal and regulatory requirements, 3) the independent auditor's qualifications and independence 4) the performance of the Company's internal audit function and independent accountants; and perform the other duties of the Committee specified by federal securities laws and regulations, the Federal Deposit Insurance Act and related regulations, or the listing standards of The Nasdaq Stock Market, Inc. or other securities exchange or market on which the Company's securities are listed or eligible for trading ("Listing Standards").

The Audit Committee shall consist of at least three independent directors of the Company. In making the determination whether the directors constituting the Audit Committee are independent, the Board of Directors shall consider, at a minimum, the then current standards of independence established for audit committee service by applicable law, regulations of the Securities and Exchange Commission (the "SEC"), the Listing Standards and the Federal Deposit Insurance Corporation. At a minimum, all Committee members shall have (a) the ability to read and understand fundamental financial statements, including the Company's balance sheet, income statement, cash flow statement, and key performance indicators; (b) the ability to understand key business and financial risks, related controls and control processes. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. At least one member of the Committee shall have past employment in finance or accounting, professional certification in accounting or other comparable experience or background which causes such member to be financially sophisticated, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Each member shall serve until the Board of Directors shall choose his successor. No member of the Audit Committee may be removed except by a vote of the majority of independent directors within the meaning of the Listing Standards for purposes other than audit committee service.

While the Audit Committee has the review, oversight, and reporting responsibilities set forth in this charter, it does not have responsibility for planning or conducting audits for determining that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Those are responsibilities of management and the independent accountants rather than the Audit Committee. The Audit Committee also is not responsible for ensuring compliance with laws or regulations.

(A) 1. The Audit Committee shall be solely responsible for: (a) the appointment, compensation, retention and oversight (including resolution of disagreements between management and the independent accountants regarding financial reporting) and termination of the Company's independent accountants engaged for the purpose of preparing or issuing an audit report or performing other audit, review and attest services, who shall report directly to the Audit Committee, (b) the approval, before such engagement commences, of all audit, review and attest engagements of the independent accountants; and (c) the approval, before such engagement commences, of all non-audit service engagements of the independent accountants.

2. The Audit Committee shall be solely responsible for determining and approving fees and other terms for engagements of the independent accountants.

3. Notwithstanding the foregoing, the Audit Committee shall not approve any non-audit service engagement where the provision of such service by the independent accountants is prohibited by applicable law, the regulations of the SEC or the Listing Standards, and the independent auditor shall not provide any such prohibited service.

4. Notwithstanding the foregoing, pre-approval is not required with respect to the provision of non-audit services if: (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its independent auditors during the fiscal year in

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which the non-audit services are provided; (b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (c) the non-audit services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee, or by one or more members of the Committee to whom authority to grant such approval has been delegated, prior to the completion of the audit.

5. The Audit Committee may delegate the authority to grant such pre-approvals to one or more Audit Committee members designated by the Audit Committee, provided that any matters so pre-approved shall be presented to the full Audit Committee at its next regular meeting.

6. The Audit Committee will oversee the compliance with lead (or coordinating) and review partner and other rotation requirements by the independent auditor.

7. The Committee shall establish procedures for the (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters

In meeting its responsibilities, the Audit Committee is authorized to review and make recommendations to the Board of Directors with respect to the following matters as they relate to the Company and any subsidiaries:

1. The appointment, replacement, reassignment, or dismissal of the internal auditor. [The internal auditor shall not be replaced, reassigned or dismissed without prior approval of the Audit Committee.]
2. The adequacy and effectiveness of the Company's internal controls including computerized information systems controls and security.
3. The adequacy and effectiveness of the Company's risk management and related programs and activities, including the Company's insurance program.
4. The accounting policies, procedures and principles adopted by operating management of the Company which in operating management's opinion will conform to the standards required:
 - (a) for the purpose of establishing and maintaining the records and accounts, and internal accounting controls of the Company, and
 - (b) for the purposes of preventing or detecting any improper or illegal actions or use of Company assets.
5. The adequacy and effectiveness of the Company Compliance Program and the key personnel engaged in such function.
6. The Company's annual financial statements and related footnotes, and recommend to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10K. Considerations in making this recommendation will include a review and discussion of the audited financial statements with management, a discussion with the independent auditors of matters required to be communicated in accordance with SAS 61 (significant audit adjustments, significant accounting changes, disagreements with management, consultation with other accountants, difficulties encountered in performing the audit, and a review of other information in documents containing audited financial statements to ensure that the information agrees with Annual Report and Form 10-K) , and disclosures received from the independent auditors regarding the auditors' independence in regard to the Company. In making this recommendation, the Audit Committee will also review with the independent accountant ,management and the internal auditor:

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- a. Any fraud that involves management or other employees who have a significant role in the Company's internal controls;
 - b. All critical accounting policies and practices and any other material components of the Company's financial statements involving management's judgment or estimates, and about the quality of accounting principals and the clarity of financial disclosure practices used or proposed to be used by the Company;
 - c. The alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials, ramifications of the use thereof, and the treatment preferred by the independent accountants, as well as any required or suggested changes in auditing or accounting practices or principles;
 - d. Material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or others that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources of significant components of revenue or expenses;
 - e. Any material changes in accounting policies or practices and the impact thereof on the Company's financial statements;
 - f. Any report or recommendations of the independent accountants;
 - g. Anything else about the audit procedures or findings that GAAP requires the accountants to discuss with the Committee.
 - h. Disclosures made by CEO and CFO during the Forms 10-K and 10Q certification process about significant deficiencies in the design or operation of internal controls;
8. The independent accountant's audit of the financial statements and his or her report thereon.
 9. Filings with the SEC and other published documents containing the company's financial statements and whether the information contained in those documents is consistent with the information contained in the financial statements. . The Audit Committee shall review earnings press releases (particularly use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analyst and rating agencies. Such matters may be discussed generally (e.g., types of information and presentations) and need not include specific releases or guidance.
 10. 10Q Filings, prior to being filed. The Committee will determine that the quarterly financial statements have been reviewed by the independent accountants in accordance with SAS 71 before those interim statements are released to the public or filed with the SEC.
 11. Legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies and programs, and reports received from regulators.
- (B) In performing its duties, the Audit Committee shall do the following:
1. Provide an open avenue of communication between the internal auditor, Company management, the independent accountant, and the Board of Directors.
 2. Meet at least four times per year on a quarterly basis or more frequently as the committee deems appropriate. Non-regular meetings may be called by the Chairman of the Audit Committee at the chairman's discretion. The committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
 3. Review and update the Audit Committee Charter annually.
 4. Review and approve the Internal Audit Charter.

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5. Review and approve the annual internal audit plan, budget, staffing, and any subsequent material changes.
6. Assess the adequacy and effectiveness of the internal audit function, and evaluate the performance of the internal auditor and approve compensation annually.
7. Consider in consultation with the independent accountant and the internal auditor the individual audit scopes and plans, and the coordination thereof to assure completeness of coverage, reduction of redundancies, and the effective use of audit resources.
8. Take appropriate action to oversee the independence of the independent accountants, including a review and discussion of the written disclosures provided by the independent accountants.
9. Take appropriate action to oversee the independence of the internal auditor.
10. Review audit findings and determine the adequacy of management's responses and proposed corrective actions.
11. Inquire of management, the internal auditor, and the independent accountant about significant risks or exposures and assess the steps management has taken to minimize such risk to the company.
12. Meet with the internal auditor, the independent accountant, and management in separate executive sessions to discuss any matters that the committee or these groups believe should be discussed privately with the committee.
13. Investigate any difficulties, limitations on scope or restricted access to required information, or disputes encountered by the internal auditor or independent accountant with management.
14. Conduct investigations relating to financial affairs, records, or actions as the Audit Committee may in its own discretion deem necessary or as the Board of Directors may request.
15. Employ such experts, personnel and legal counsel, including those already employed or engaged by the Company, as the Audit Committee may in its collective judgment deem to be in the best interest of the Company to be reasonably necessary to enable the Audit Committee to perform its duties and satisfy its responsibilities. The Company shall provide appropriate funding for such purposes.
16. Review the annual company budget prior to submission to the Board of Directors.
17. Report committee actions to the Board of Directors with such recommendations as the committee may deem appropriate.
18. Prepare a report for inclusion in the proxy statement relating to the annual meeting of shareholders that describes the committee's composition and responsibilities, and how they were discharged.
19. Perform other such functions as assigned by law, the Company's charter or bylaws, or the Board of Directors.
20. On an on-going basis, the Committee shall conduct an appropriate review of all related party transactions for potential conflicts of interest and all such transactions must be approved by the Committee.