

SVB&T CORPORATION

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee is a committee of the Board of Directors of SVB&T Corporation (the "Company") appointed by the Board of Directors, and is established to assist the Board of Directors in fulfilling its oversight responsibilities for:

- the integrity of the financial statements of the Company;
- the systems of internal controls over the Company's financial reporting, audit process, compliance with legal and regulatory requirements, and code of ethics that management and the Board of Directors have established;
- the qualifications and independence of the Company's registered public accounting firm (the "Public Accountant"); and
- the performance of the internal audit function and the Public Accountant.

The management of the bank is responsible for the preparation and integrity of the financial reporting and related systems of internal controls. The Audit Committee, in carrying out its role, relies on senior management, including senior financial management, the internal auditor and the outside auditor.

The Audit Committee shall provide an open avenue of communication between financial management, internal auditors, external auditors and the Board of Directors of the Company.

COMPOSITION

The Audit Committee shall be comprised of three or more members of the board of directors. Each member of the Audit Committee shall meet the criteria for independence set forth in Section 10A (m)(3) of the Securities Exchange Act of 1934 (the "Act"), as amended by the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder. In addition, each member of the Audit Committee shall be able to read and understand the fundamental financial statements of the Company at the time of their appointment to the Audit Committee. In that regard, the members shall be able to read and understand, at a minimum, the Company's balance sheet, income statement, and cash flow statement.

[It would be helpful if at least one member of the Audit Committee be an "audit committee financial expert" as defined by applicable legislation, regulation and rules, but it is not required. The members of the Audit Committee may not accept any consulting, advisory, or other compensatory fee from the Company other than for Board services.]

The Board shall appoint the members of the Audit Committee at the Company's annual organizational meeting. The members of the Audit Committee shall serve until their successors are appointed and duly qualified. The Board shall have the power at any time to change the membership of the Audit Committee and to fill vacancies in it, subject to such new member(s) satisfying the independence, experience and financial expertise requirements referred to above. The term of membership is one year, with reappointment staggered to provide continuity.

MEETINGS

The Audit Committee shall meet at least four times annually, and shall have the authority to convene additional meetings as circumstances dictate. A majority of the members of the Audit Committee shall be required to constitute a quorum. As part of its job to foster open communication, the Audit committee shall meet periodically with management, internal auditors, and the Public Accountant in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed separately. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

In carrying out its oversight responsibilities, the Audit committee shall undertake those tasks that, in its judgment, would most effectively contribute and implement the purposes of the Audit Committee. The Audit Committee is authorized to carry out responsibilities in the following areas:

Corporate Governance and Internal Controls

- The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting or to other consultants to advise the Audit Committee to carry out its duties, and to conduct or authorize investigations into any matters within its scope of responsibilities. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to any legal counsel, accountant or other adviser employed by the Audit Committee.
- The Audit Committee shall have the sole authority for the appointment or replacement of any Public Accountant. The Audit Committee shall review and approve the annual audit scope and fees of the Public Accountant. The Audit Committee shall be directly responsible for the oversight of the work of the Public Accountant, including resolution of disagreements between management and the Public Accountant regarding financial reporting, for

the purpose of preparing or issuing an audit report of related work. The Public Accountant shall report directly to the Audit Committee.

- The Audit Committee shall limit and control other proposed services by the Public Accountant. The Audit Committee shall pre-approve all auditing services and permissible non-audit services, as defined in Sections 10A (g) through (i)(l) of the Act, (including the fees and terms thereof) to be performed for the Company by the Public Accountant. The Audit Committee may delegate to one or more of its members the authority to grant pre-approvals of non-audit services, provided that decisions of such delegates shall be presented to the full Audit committee at its next scheduled meeting.
- The Audit Committee shall make regular reports to the Board of Directors about Audit committee activities and issues that arise with respect to the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance and independence of the Public Accountant, and the performance of the internal audit function.
- 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.
- The Audit Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls of auditing matters; and (b) the confidential and anonymous submission by employees of the Company, of concerns regarding questionable accounting or auditing matters or management fraud.
- The Audit Committee shall discuss with management and the Public Accountant, any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.
- The Audit Committee shall review with the Public Accountant, the Company's financial and accounting personnel and the adequacy and effectiveness of the accounting and financial controls of the Company and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable or necessary.
- The Audit Committee shall ensure that the Company maintains an internal audit function, as described in the Internal Audit section of this Charter.

- The Audit Committee shall review the internal audit function of the Company, including the independence, competence, staffing adequacy and authority of the internal auditor, the reporting relationships among the internal auditor, management and the Audit Committee, the internal audit reporting obligations, the annual audit program and scope, and the coordination of the audit program with the Public Accountant.
- The Audit Committee shall consider and review with management, the Public Accountant and the Company's Auditor the effectiveness of the Company's internal controls over annual and interim financial reporting, including information technology security and control. These controls shall provide reasonable assurance of the integrity of the financial information and assurance that the Company's reported financial results are presented fairly in conformity with GAAP.

Financial Reporting

- The Audit Committee shall review with management and the Public Accountant, the annual audited financial statements, including major issues regarding accounting and auditing principles and practices, and the adequacy of internal controls that could significantly affect the financial statements. This review shall consider critical accounting policies and any major accounting policy.
- The Audit Committee shall review and discuss with management and the Public Accountant any accounting adjustments that were noted or proposed by the external auditors but were passed (as immaterial or otherwise).

External Audit

The Company is to have an annual certified audit by a registered public accounting firm of certified public accountants. ("the Public Accountant's")

- The Audit Committee shall review the Public Accountant's proposed audit scope and approach, including coordination of the audit effort with the internal audit function.
- The Audit Committee shall obtain and review a report from the Public Accountant at least annually regarding (i) the Public Accountant's internal quality-control procedures, (ii) any material issues raised by the most recent quality-control review, or peer review, 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 Public

Accountant, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the Public Accountant and the Company.

- The Audit Committee shall evaluate the qualifications, performance and independence of the Public Accountant, including a review and evaluation of the lead partner of the Public Accountant, taking into account the opinions of management and the Company's internal auditors and presenting its conclusions to the full Board of Directors.
- The Audit Committee may ask that the lead audit partner of the Public Accountant and the audit partner responsible for reviewing the audit be rotated at least every five years using as a guideline Section 10A (j) of the Act and by the Sarbanes-Oxley Act of 2002, and further consider rotation of the Public Accountant itself.
- The Audit Committee shall meet, at least annually, with the Public Accountant to discuss such things as the audit role, audit functions, scope of audits, findings, recommendations, corrective actions, and other relevant matters.
- The Audit Committee shall review any reports of the Public Accountant mandated by Section 10A of the Act and obtain from the Public Accountant any information with respect to illegal acts in accordance with Section 10A. If no reports are received, the Audit Committee shall obtain from the external auditor an assurance that Section 10A of the Act, which relates to the audit requirements for public companies, has not been implicated.

Internal Audit

The Internal Audit function is responsible for evaluating the adequacy, effectiveness and efficiency of the Company's systems of internal controls and the quality of ongoing operations. The Company is to have one person designated as the Auditor, who shall have adequate technical training and proficiency to manage the internal audit function.

- The Audit Committee is responsible for retaining and reviewing the Auditor. The Chair of the Audit Committee shall consult with the President and Chief Executive Officer of the company, as needed, on the performance of the Auditor.
- The Audit Committee shall review with management and the Auditor, plans, activities, staffing and organizational structure of the internal audit function.

- The Audit Committee shall ensure there are no unjustified restrictions or limitations, which impact or impair the scope of the internal audit.
- The Audit Committee shall review internal audit reports to management, which includes the audit scope, results and recommendations for each audit conducted. The review shall include the respective impact on internal controls, the control environment and the overall effectiveness and efficiency of the Company's operations.
- The Audit Committee, through designation to the Auditor, is responsible for the oversight and management of internal audit outsourcing engagements. These engagements include, but are not limited to, loan review, information systems and external penetration testing. Reporting on the scope, results and recommendations of each audit performed will be directed through the Auditor and the Audit Committee.