

SUBJECT: AUDIT COMMITTEE CHARTER

EFFECTIVE DATE: Amended March 2010

Committee Role

The Audit Committee is an advisory committee to assist and act on behalf of the Board of Directors of BNC Bancorp (together with all subsidiaries, the “Company”) and oversee all material aspects of the Company’s financial reporting, system of internal controls, and audit functions, except those specifically related to the responsibilities of another standing committee of the Board of Directors. The Audit Committee’s role includes a particular focus on the qualitative aspects of financial reporting to shareholders and on Company processes for the management of business/financial risk and for regulatory compliance with significant applicable, legal, ethical, and regulatory requirements.

The role also includes coordination with other Board committees and maintenance of strong, positive working relationships with management, external and internal auditors, counsel and other committee advisors.

Committee Membership; Qualifications and Entitlements

The Audit Committee shall be comprised of no fewer than three independent members of the Board of Directors.

The Audit Committee’s members will meet the applicable requirements of the Securities and Exchange Commission (“SEC”), NASDAQ and the FDIC (collectively, the Regulatory Standards”). Accordingly, all members of the Committee shall be directors who:

- Have no relationship with the Company’s management or with the Company that may interfere with the exercise of their independent judgment;
- Do not receive any consulting, advisory or other compensatory fee from the Company, other than in the members’ capacities as members of the Board of Directors or any of its committees;
- Are not “affiliated persons” (as defined by applicable law or regulation) of the Company, other than as members of the Board of Directors; and
- Are financially literate as required by applicable laws and Regulatory Standards.

In the event that regulations of the Securities and exchange Commission (“SEC”) impose more stringent requirements or are otherwise in conflict with the Regulatory Standards, such regulations shall be controlling under this Charter.

At least one member of the Audit Committee will have accounting or related financial management expertise and be an “audit committee financial expert” in accordance with the rules and regulations of the SEC and Regulatory Standards.

Meetings

The Audit Committee shall meet quarterly, or more frequently as circumstances dictate. The Audit Committee may delegate authority to any subcommittees created by it and composed of one or more of its members or other individuals when appropriate. Any such subcommittee or individual acting under authority delegated by the Audit Committee shall report any actions taken to the Committee at its next scheduled meeting. The Audit Committee shall report regularly to the Board of Directors.

Duties and Responsibilities

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The Audit Committee shall have a Chairperson designated by the Board of Directors. The Audit Committee Chairperson shall have the Audit Committee Charter approved annually by the Board of Directors.

The primary responsibility of the Audit Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board of Directors. Included in such is the overseeing of the internal and external audit function in a manner which assures: independence and objectivity of the audits; qualified persons to perform adequate testing and review of internal controls and information systems; adequate documentation of audit tests, findings and any associated corrective actions; verification and review of management actions to address identified weaknesses; and review of the effectiveness of the internal audit function. 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 are complete and accurate and are in conformity with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent registered public accounting firm ("independent auditor") is responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. In performing its role, the Audit Committee shall have the following specified duties and responsibilities:

- The Audit Committee shall be responsible for the appointment, compensation, retention, termination and oversight of any independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or related work. The Audit Committee shall resolve any disagreements between the Company's management and the independent auditor regarding financial reporting matters. The Company's independent auditor shall report directly to the Audit Committee. The Audit Committee shall recommend to the Board of Directors and shareholders the ratification of the independent registered public accounting firm which will be ultimately accountable to the Audit Committee and the Company's Board of Directors.
- The Audit Committee shall pre-approve any permitted non-audit services to be provided by the Company's independent auditor.
- The Audit Committee shall review and discuss with the Company's management and independent auditor the annual and quarterly financial statements of the Company prior to the filing of such statements in the Company's annual and quarterly reports with the Securities and Exchange Commission.
- The Audit Committee shall receive and review all reports from the Company's internal, external, and regulatory examiners as to examinations for applicable reporting period's significant findings, trends and conclusions. The Audit Committee will receive reports from the internal auditors regarding the adequacy of ongoing internal control and management's handling of identified deficiencies and material weaknesses in internal controls other reportable conditions, and satisfying itself that any significant deficiencies and material weaknesses in internal controls are being corrected by management in a timely manner.
- The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

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- The Audit Committee shall establish procedures for the anonymous submission by Company employees of concerns, questions or complaints regarding questionable accounting practices or auditing matters.
- The Audit Committee shall prepare and approve any report of the Audit Committee required to be included in the Company's annual proxy statement.
- The Audit Committee shall comply with all applicable laws, rules, regulations and Listing Standards.

Authority and Funding

The Audit Committee shall have the authority to perform those duties and obligations set forth in the Charter. The Audit Committee shall also have access to, and the authority to engage, independent legal counsel and other advisors as the Audit Committee deems necessary to carry out its duties in its sole discretion, and all such fees, expenses and costs related thereto shall be paid by the Company.

The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the Company's independent auditor for audit and pre-approved non audit services.