



**SOUTHERN NATIONAL BANCORP OF VIRGINIA INC
&
SONABANK**

AUDIT COMMITTEE CHARTER

BOD Approved May 2013

Purpose

The Audit Committee (“Audit Committee” or “Committee”) is appointed by the Board of Directors of Southern National Bancorp (“Board”) to oversee the accounting and financial reporting processes of Southern National Bancorp (“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 independent registered public accounting firm's qualifications and independence, (3) the performance of the Company's internal audit function and independent registered public accounting firm, 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. The board or its nominating committee will appoint committee members and the committee chair. Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

Meetings

The Audit Committee shall meet as often as it determines necessary but not less frequently than quarterly. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The Audit Committee shall meet periodically in separate executive sessions with management, the internal auditors, and the independent registered public accounting firm, 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 independent registered public accounting firm 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. 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 independent registered public accounting firm, 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 independent registered public accounting firm (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm 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 independent registered public accounting firm, 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 independent registered public accounting firm 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.

Financial Statement and Disclosure Matters

The Audit Committee shall:

- Review and discuss, at least annually, with management, the independent registered public accounting firm and the Internal Auditor the scope of the audit.
- Review and discuss, at least quarterly, with management, the independent registered public accounting firm and the Internal Auditor the annual audited financial statements and quarterly financial statements, including reviewing the corporation's specific disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operation."
- Review and discuss with management, the independent registered public accounting firm and the Internal Auditor, and receive a timely report from the independent registered public accounting firm with respect to, any significant accounting, income tax, financial, reporting policies, issues or judgments made in connection with the preparation, or audit, of the corporation's financial statements and other financial or informational reports, including any major issues regarding or significant changes in the corporation's selection or application of accounting principles, the development, selection and disclosure of critical accounting estimates or judgments (including reserves), an analysis of the effect of any alternative assumptions, estimates or GAAP methods on the financial statements, and the effect of regulatory examinations or any regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements, and obtain from the independent registered public accounting firm a timely report relating to any material communications between the independent registered public accounting firm and management, such as any "management letter" or schedule of unadjusted differences.
- Review internal accounting control reports (management letters) submitted by the independent registered public accounting firm which relate to the corporation.

- Review summaries of significant issues in management letters addressed to subsidiaries of the corporation.
- Discuss with management the corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Taking into consideration the Board's allocation of responsibility for review of credit risk, market risk and fiduciary risk to the Board's Risk Policy Committee, discuss with management guidelines and policies for assessing and managing the corporation's exposure to risks, including reputation risk, the corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Discuss with the independent registered public accounting firm the matters required to be described by PCAOB AU Section 380 (Communication with Audit Committees), including without limitation, any difficulties encountered in the course of the work, any restriction on the scope of the independent registered public accounting firm's activities or on access to requested information and any significant disagreements with management.

Oversight of the Company's Relationship with the Independent Registered Public Accounting Firm

- Review and evaluate the lead partner of the independent registered public accounting firm team.
- Obtain and review a report from the independent registered public accounting firm at least annually regarding (a) the independent registered public accounting firm'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 independent registered public accounting firm, 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 independent registered public accounting firm to the Board.
- Obtain from the independent registered public accounting firm a formal written statement delineating all relationships between the independent registered public accounting firm and the Company. The Audit Committee shall discuss with the independent registered public accounting firm any disclosed relationships or services that may impact the objectivity and independence of the 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.

- Meet with the independent registered public accounting firm 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 (including compensation), and replacement of the senior internal auditing executive and as necessary the selection and retention of an outside firm to assist internal audit. When the bank enters into internal audit outsourcing arrangements the Audit Committee is responsible for ensuring that the arrangements are conducted in accordance with the UInteragency Policy Statement On The Internal Audit Function And Its Outsourcing (SR03-05) Part II.
- Review and have veto power over the appointment, replacement, reassignment or dismissal of the head of the internal audit
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' International 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 independent registered public accounting firm and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- Consider, in consultation with the independent accountant and internal audit, the audit scope and procedural plans made by internal audit and the independent accountant. The Committee will review and discuss with internal audit and the audit accountant their plans to coordinate the internal and external audits. The purpose of coordinating these efforts is to assure completeness of coverage, reduce redundancy and use audit resources effectively.

Compliance Oversight Responsibilities

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

Review the findings of any examinations by regulatory agencies, and any auditor observations.

- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

- Foster an environment 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 independent registered public accounting firm 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 independent registered public accounting firm.