

UNITED COMMUNITY BANKS, INC.

AUDIT COMMITTEE CHARTER

I. PURPOSE AND AUTHORITY

The Audit Committee (“the Committee”) is established by and among the Board (“the Board”) of Directors of United Community Banks, Inc. (“the Company”) for the primary purpose of assisting the Board of Directors in overseeing:

- The integrity of the Company’s financial statements, the Company’s accounting and financial reporting processes, and the audits of the Company’s financial statements.
- The independent auditor’s qualifications, independence, and performance.
- The Company’s Internal Audit function.
- The Company’s systems of internal control over financial reporting, disclosure controls and procedures, and compliance with the Company’s code of ethical conduct.
- The Company’s compliance with legal and regulatory requirements.

Consistent with these functions, the Committee shall encourage continuous improvement and foster adherence to the Company’s policies, procedures, and practices at all levels.

In fulfilling its purpose, the Committee shall maintain free and open communication between itself, the Board of Directors, the independent auditor, the Internal Audit department, and management of the Company.

The Committee shall provide regular reports to the Board of Directors regarding the Committee’s activities and the execution of its duties and responsibilities as well as any issues encountered and related recommendations.

The Committee shall review and reassess the adequacy of this charter annually.

The Committee has the authority to engage outside advisors at its sole discretion, including but not limited to outside counsel, accountants, or other professional advisors, as deemed necessary to perform its duties and responsibilities. Furthermore, the Committee shall be empowered to conduct investigations into any matter brought to its attention with full access to all Company financial information, records, and personnel, using special counsel or outside experts when necessary or appropriate.

The Company will provide appropriate funding, as determined by the Committee, for compensation to the independent auditor, to any advisors the Committee chooses to engage, and for payments of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In carrying out its duties and responsibilities, the Committee also has the authority to meet with and seek any information it requires from employees, officers, and directors of the Company or external parties.

The Committee will conduct an annual performance self-assessment relative to the Committee’s purpose, duties, and responsibilities outlined in this charter, and will report the results of such self-assessment to the Board of Directors.

II. COMMITTEE ORGANIZATION AND MEETINGS

The Board of Directors will elect the members of the Committee at their annual organizational meeting to serve until their successors are elected. Unless a Committee chair is elected by the Board of Directors, the members of the Committee shall designate a Committee chair by majority vote.

The requirements for Committee membership are as follows:

- The Committee will be comprised of three or more members of the Board of Directors, each of whom shall be independent directors. Members shall be considered independent if they satisfy the independence requirements for board members as set forth in the applicable stock exchange listing standards and in Rule 10A of the Securities Exchange Act of 1934, and the requirements for outside directors as specified by the FDIC in 12 C.F.R. § 363.5.
- At least two members of the Committee must have banking or related financial management expertise as defined by the FDIC regulations, and at least one of these members must qualify as an “Audit Committee financial expert” as defined by the SEC. Audit Committee financial expert status will be determined by the Board of Directors and appropriate disclosure will be made, in accordance with SEC Regulation S-K and applicable exchange rules.
- No member of the Committee shall be a “large customer” of the Company, as defined by FDIC regulations, or may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the preceding three years.
- Committee members will neither be offered nor accept any consulting, advisory, or other compensatory fees from the Company or from any subsidiary other than for Board service.

The Board of Directors will reassess each member of the Committee for ongoing eligibility based on the listed requirements at least annually.

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The Committee chair will approve the agenda for the Committee’s meetings, and any member may suggest items for consideration.

As part of its responsibility to foster open communication, the Committee will meet periodically with members of senior management, the Chief Audit Executive, and the independent auditor in separate private sessions.

The Committee shall meet with management and the independent auditor quarterly to review the Company’s financial statements.

The Committee will also regularly hold executive sessions absent the presence of management.

III. ROLES AND RESPONSIBILITIES

The Committee’s principal responsibility is one of oversight. Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company, and for establishing and maintaining internal control over financial reporting. The independent auditor is responsible for auditing the Company’s financial statements and providing an opinion on those financial statements.

A. Financial Reporting and Disclosure Oversight

The Committee shall meet to review and discuss the Company’s quarterly and annual financial statements prior to the Company’s Form 10-K or 10-Q filings, release of earnings, or annual or quarterly reports to shareholders, including the Company’s disclosures under “Management’s Discussion and Analysis of

Financial Condition and Results of Operations” and all internal control reports or summaries thereof. Also, the Committee shall discuss the results of the quarterly review and annual audit and all other matters required to be communicated to the Committee by the independent auditor under the standards of the PCAOB.

The Committee’s review of the financial statements shall include:

- Major issues regarding accounting principles and financial statement presentations, including approval of any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company’s internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses,
- The effect of regulatory and accounting initiatives on the financial statements,
- The judgment of both management and the independent auditor about the quality, not just the acceptability, of accounting principles applied,
- The completeness and clarity of the disclosures in the financial statements; including material off-balance sheet structures,
- All critical accounting policies and practices of the Company, and
- Other material written communications between the independent auditor and management.

Following their review and acceptance of the audited financial statements, the Committee will recommend to the Board of Directors that the audited financial statements be included in the Company’s annual report on Form 10-K.

Following the review and acceptance of quarterly financial statements, the Committee will approve inclusion of the quarterly unaudited financial statements in the Company’s quarterly report on Form 10-Q.

The Committee shall also review other relevant reports of financial information submitted by the Company to any government body or the public, including management certifications as required by SEC Regulation S-K and relevant reports rendered by the independent auditor, or summaries thereof.

To assist the Board of Directors in assessing the adequacy of Senior Management’s oversight of the Bank’s Internal Controls over Financial Reporting, the Committee will discuss and:

- review management’s report on the effectiveness of Internal Control over Financial Reporting as of the end of each Fiscal year as well as the Independent Auditor’s report on the effectiveness of Internal Control over Financial Reporting,
- review any reports of significant deficiencies and material weaknesses in the design or operation of Internal Control over Financial Reporting, and
- review any reports of fraud that involves management or other employees who have a significant role in the Company’s internal controls.

The Committee shall review and approve all material related-party transactions, defined as those transactions required to be disclosed under SEC Regulation S-K and applicable stock exchange listing standards.

The Committee shall discuss with management, the Internal Auditors, and independent auditor:

- Any changes in internal control that have materially affected or are reasonably likely to materially affect the Company’s Internal Control over Financial Reporting that are required to be disclosed, and
- Any other changes in Internal Control over Financial Reporting that were considered for disclosure in the Company’s periodic filings with the SEC.

B. Independent Auditor Oversight

The Committee will appoint, compensate, and oversee the work performed by the independent auditor retained for the purpose of preparing or issuing an audit report. The independent auditor will report directly to the Committee, and the Committee will oversee the resolution of disagreements between management and the independent auditor, should any arise.

The Committee will ensure that the appointed independent auditor complies with the independence standards and interpretations among those of the AICPA, the SEC, and the PCAOB. The Committee shall determine that the independent auditor has a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under SEC independence rules.

Prior to commencing any services, the independent auditor must have received a peer review or be enrolled in a peer review program that conforms to the AICPA's Peer Review Standards and inspections conducted by the PCAOB.

The Committee shall preapprove all audit and non-audit services performed by the independent auditor, including specific preapproval of internal control over financial reporting related services, based on PCAOB Rule 3525; and shall receive certain disclosure, documentation, and discussion of non-prohibited tax services by the independent auditors based on PCAOB Rule 3524. The Committee shall not engage the independent auditor to perform non-audit services prohibited by law or regulation, and the Committee shall ensure that all engagement letters to the independent auditor conform with the requirements set forth by the FDIC in 12 C.F.R. § 363.5 regarding limitation of liability provisions.

At least annually, the Committee shall obtain and review a report by the independent auditor describing:

- The firm's internal quality control procedures.
- 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, with respect to one or more independent audits carried out by the firm, and any steps taken to address any such issues.
- A formal written statement delineating all relationships between the independent auditor and the Company.

After reviewing this report and the independent auditor's work on at least an annual basis, the Committee will review the qualifications, performance, and independence of the independent auditor. This evaluation shall include the review and evaluation of the lead audit partner and take into account the opinions of management and the Internal Auditors. The Committee will also assess whether the independent auditor consistently demonstrates objectivity and skepticism in the performance of its work, and whether any disclosed relationships with or services performed for the Company may impact the objectivity and independence of the auditor. The Committee will report their conclusions to the Board of Directors and will remove the independent auditor if circumstances warrant.

The Committee shall regularly review with the independent auditor and Internal Audit department separately any problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the independent auditor's activities or access to requested information, and management's response.

The Committee shall understand the scope of the independent auditors' review of internal control over financial reporting. The Committee will review differences that were noted or proposed by the auditors but were passed, as immaterial or otherwise. The Committee review will also include any management or internal control letter issued, or proposed to be issued, by the audit firm to the Company that are in addition to its audit opinion on the effectiveness of internal control over financial reporting. Additionally, the

Committee shall periodically consult with the independent auditor absent management about internal controls and the completeness and accuracy of the Company's financial statements.

The Committee shall hold timely discussions with the independent auditor regarding all other material written communications between the independent auditor and management.

The Committee shall set clear policies that are consistent with governing laws and regulations for the hiring of current or former employees of the independent auditor. Specifically, the Committee will comply with the one-year "cooling off" period for individuals in financial reporting oversight roles.

C. Internal Audit Oversight

The Committee is responsible for establishing an appropriate Internal Audit function and ensuring that it operates adequately and effectively. The Committee responsibility shall be discharged by covering the following activities:

- The Committee shall have ongoing interaction with the Chief Audit Executive outside of regularly scheduled meetings to facilitate open communication regarding the Internal Audit department, organizational, or industry concerns. In its discretion, the Committee may delegate this responsibility to the Chair or other Committee member, who shall report the content of such communications to the rest of the Committee as appropriate.
- The Committee will review and approve the Internal Audit department's charter annually
- The Committee will appoint, replace, reassign, or dismiss the Chief Audit Executive, who shall functionally report to the Committee.
- The Committee will approve the compensation for the Chief Audit Executive and will conduct an annual evaluation of his or her performance, reporting the results of such evaluation to the Board of Directors.
- The Committee will review and approve the department's budget and staffing levels.
- The Committee will review and assess the performance of the Internal Audit function annually and will report any material issues as part of the Committee's regular report to the Board of Directors.
- The Committee will receive and review the results of internal and external quality assurance reviews of the Internal Audit function.
- The Committee will review and approve the Internal Audit department's annual audit plan and all subsequent major changes to the plan, and such review shall include annual approval of the Internal Audit Risk Assessment methodology.

The Committee will regularly review and discuss with Internal Audit, the scope, progress, and results of executing the annual audit plan, including:

- review of the regular internal reports to management, or summaries thereof, prepared by the Internal Audit function and management's responses, with a focus on areas rated less than satisfactory.
- review of reports on the status of outstanding significant findings and recommendations, and management's responses.
- review of details of significant difficulties, disagreements with management, or scope restrictions encountered in the course of the Internal Audit department's work.

The Committee will also retain oversight responsibility for any material aspects of the Internal Audit function that are outsourced to or co-sourced with a third party.

D. Legal and Ethical Compliance

The Committee shall review the Company's compliance and ethics programs, including legal and regulatory requirements, and review with management its periodic evaluation of the effectiveness of such programs. The Committee shall also review the Company's code of ethical conduct, and programs that management has established to monitor compliance with and enforcement of such code. Committee members will also complete annual training on the Company's code of ethical conduct.

The Committee will also review with the Company's counsel any legal, compliance, and regulatory matters, including corporate securities trading policies, that may have a significant impact on the Company's financial statements.

The Committee shall review reports of examinations made by federal and state banking examiners and ensure that all operational deficiencies set forth in such reports are adequately addressed.

The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company about accounting, internal accounting controls, or auditing matters, whether from internal or external sources.

Complaints involving senior management and/or significant dollar amounts may warrant immediate communication to the Committee.