

**VENTURE BANK
&
VENTURE FINANCIAL GROUP, INC.
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER**

Purpose

The Audit Committee is a committee of the Board of Directors organized for the primary purpose of assisting the Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of the Company financial statements;
- engagement of independent auditors and the evaluation of their performance, qualifications and independence;
- implementation and evaluation of the Company internal accounting and financial controls, procedures and policies; and
- compliance with certain legal and regulatory requirements, including programs and policies established by management or the Board.

The Audit Committee serves as a conduit to promote open communication between the independent auditors, the accounting department and any internal auditors, management and the Board. The Audit Committee should take appropriate actions to set the overall corporate “tone” for quality financial reporting, sound business risk practices, and ethical behavior.

Committee Membership

The Board will appoint Audit Committee members and a Chair annually, such appointments to occur after the annual Board meeting. If the Board does not appoint a Chair of the Audit Committee, then the Audit Committee members may elect one member to serve as the Chair. The Chair will serve as the primary contact person for communications between the Audit Committee and management, the Board and the independent auditors, outside of regular Audit Committee meetings.

Each Audit Committee member, as determined in the business judgment of the Board, will be (a) “independent”, as that term is defined by the applicable securities regulations and NASDAQ listing standards; and (b) be financially literate and have the ability to read and understand the Company’s basic financial statements

If an Audit Committee member serves on the audit committee of more than three public companies, the Board will determine whether such simultaneous service adversely affects such member’s ability to effectively serve on the Audit Committee.

Meetings

The Audit Committee may meet as often as it deems necessary and appropriate to fulfill its purpose and responsibilities, but no less regularly than necessary to review the financial results of the Company for any period for which financial statements or information are prepared and disseminated to the shareholders or filed with the Securities and Exchange Commission. Meetings may be called by the Chair of the Audit Committee or the Chair of the Board and will be conducted in accordance with the Company's bylaws. The Audit Committee may take action by written consent of all its members.

As part of its regular meetings, the Audit Committee will meet in executive session and jointly and separately with management, the Company's internal auditors and the independent auditors. The Audit Committee will report to the Board on all matters considered and actions taken at the next regularly scheduled Board meeting and such report will include any recommendations for consideration by the Board. The Audit Committee Chair shall be available to answer questions of other directors and discuss actions taken or matters considered by the Audit Committee.

Committee Authority and Responsibilities

In carrying out its duties and responsibilities, the Audit Committee will establish policies and procedures to be flexible, to be capable of responding to changing conditions and circumstances and ensure that the Company's accounting, financial reporting and auditing practices are appropriately tailored to address the Company's specific financial and business risks.

The following will be the principal recurring duties and responsibilities of the Audit Committee, set forth as a guide with the understanding that the Audit Committee may alter or supplement them as appropriate.

- The Audit Committee will have the sole authority to select, hire and fire the independent auditor, to approve all fees and other terms of the audit engagement and to pre-approve any non-audit relationships and engagements with the independent auditors. Although the independent auditor will report directly to the Audit Committee and the Audit Committee is ultimately responsible for the supervision of the independent audit function, management may consult with the independent auditor whenever necessary.
- The Audit Committee will annually review and evaluate the performance of the independent auditors and their independence from management and the Company. The Audit Committee also will be responsible for ensuring the regular rotation of the audit partner as may be required by securities laws and regulations.

- The Audit Committee will discuss with the independent auditors the overall scope and plans for audits, including the adequacy of staffing and compensation; the results of their audit, including material issues regarding accounting and auditing principles and practices; and any significant audit problems or disagreements with management regarding proposed accounting adjustments or financial reporting recommendations and any other matters required to be discussed by Statement on Auditing Standards No. 61 relating to conducting the Company audit.
- The Audit Committee will be responsible for resolving disagreements between management and the independent auditors regarding accounting and financial reporting matters for purposes of preparing and issuing audited financial statements.
- The Audit Committee will discuss with any internal auditors the overall scope and plans for their audits, including the adequacy of staffing and compensation; the results of their audit, including major issues regarding accounting and auditing principles and practices; the adequacy of the Company's internal controls; and compliance with the Company's policies and programs.
- The Audit Committee will discuss with the independent auditors the adequacy and effectiveness of the internal accounting and financial controls, including the Company's system to monitor and manage business risk.
- The Audit Committee will meet periodically with management to review risk assessment, risk management guidelines and policies, the Company's financial risk exposure and the Company's system to monitor and control such exposure. Management, however, will remain ultimately responsible for risk management.
- The Audit Committee will meet separately with the independent auditors and internal auditors, without management present, to discuss the results of their examinations and will provide sufficient opportunity for any internal auditors and the independent auditors to meet privately with the Audit Committee Chair.
- The Audit Committee will meet with management and the independent auditors to determine whether the independent auditors are satisfied with the disclosures and content of the financial statements to be presented to the shareholders in the Company's annual and quarterly financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, and any other Securities Exchange Act of 1934 filings that the Audit Committee and internal auditors deem necessary.
- The Audit Committee will review and discuss the types of information to be disclosed and the presentation of such information with regard to earnings press releases and financial information and earnings guidance given to analysts and rating agencies.
- The Audit Committee will review with the CEO and CFO the Company internal controls, which include disclosure controls and procedures and internal controls over financial reporting and will periodically, but not less than quarterly, discuss with management its conclusions about the efficacy of the Company disclosure controls and procedures, and, not less than annually, discuss management's conclusions about the efficacy of Company internal controls over financial reporting, including any

- material deficiencies in such controls and procedures and the appropriate action to correct any such deficiencies.
- The Audit Committee will meet on a quarterly basis with the Chair of the Disclosure Committee and management to discuss (a) any significant deficiencies in the design and operation of the Company disclosure controls and procedures that could adversely affect the Company's ability to record, process, summarize and report financial data, and any material weakness in internal controls over financial reporting; and (b) any fraud, regardless of materiality, that involves management or Company personnel who have a significant role in the Company's internal controls.
 - The Audit Committee will review with management and the independent auditors any changes in accounting principles and other significant financial reporting issues, including the use of "pro-forma" or "adjusted" non-GAAP information.
 - The Audit Committee will periodically review the accounting and financial personnel of the Company and address succession planning.
 - The Audit Committee will submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each committee meeting with, the Board.
 - At least annually, the Audit Committee will review and evaluate its own performance to improve its effectiveness and responsiveness to the Board and management, and assess the adequacy of its Charter, making recommendation to the Board as to appropriate changes.
 - The Audit Committee will establish and maintain procedures for (a) receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters; and (b) confidential, anonymous complaints or allegations by employees of concerns regarding questionable accounting, internal controls or auditing matters.
 - The Audit Committee will serve as the Qualified Legal Compliance Committee to receive, evaluate and appropriately address all reports of potential wrongdoing received from legal counsel pursuant to the Sarbanes-Oxley Act of 2002 and Securities and Exchange Commission Rule 205.
 - The Audit Committee will meet periodically with the Company's external counsel and other appropriate Company personnel to review material legal affairs of the Company and any material reports or inquiries received from regulatory or governmental agencies.
 - The Audit Committee will discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements and accounting policies; or compliance with other rules, regulations or laws.
 - The Audit Committee will have the authority, to the extent it deems necessary, to retain independent legal, accounting or other advisors without need for Board approval, and the Company will provide for appropriate funding, as determined by

the Audit Committee, for payment of compensation to such advisors retained by the Audit Committee.

- The Audit Committee will have access to all Company personnel and records it deems necessary to fulfill its duties and responsibilities under this Charter.
- The Audit Committee will review and approve all related party transactions that must be disclosed pursuant to Item 404 of Securities and Exchange Commission Regulation S-K.
- The Audit Committee may designate subcommittees, as it deems necessary and appropriate, consisting of at least one member of the Audit Committee to address specific issues on behalf of the Audit Committee.
- The Audit Committee may appoint a Secretary, who need not be member of the Audit Committee, to keep minutes of all Audit Committee meetings and such other records the Audit Committee deems necessary and appropriate.
- The Audit Committee will prepare a report for inclusion in the Company's annual proxy statement in accordance with applicable Securities and Exchange Commission regulations.

Limitations

The primary responsibility of the Audit Committee is to oversee the Company's financial reporting process on behalf of the Board of Directors and to report the results of their activities to the Board of Directors. 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 accordance with generally accepted accounting principles. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements.