

BLUE VALLEY BAN CORP
AUDIT COMMITTEE CHARTER

I. ORGANIZATION

There shall be a committee of the Board of Directors to be known as the Audit Committee. The Audit Committee shall consist of three or more independent directors of Blue Valley Ban Corp (the Company), meaning that each director shall not be an officer or employee of the Company, but shall be independent of the management of the Company and free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as a committee member. When a member of the Audit Committee is a party to any relationship that might call into question such member's independence, as when such member has a short-term consulting contract with a major customer, the member should recuse himself from any decisions that might be affected by the relationship.

The following persons are not considered independent:

- (1) A director who is employed by the Company or any of its affiliates for the current year or any of the past three years;
- (2) A director who is a member of the immediate family of an individual who is, or has been in any of the past three years, employed by the Company or any of its affiliates as an executive officer. Immediate family includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, brothers and sisters-in-law, sons and daughters-in-law, and anyone who resides in such person's home;
- (3) A director who has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- (4) (A) A director who is a current partner or employee of a firm that is the Company's internal or external auditor; (B) a director has an immediate family member who is a current partner of such a firm; (C) a director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) a director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- (5) A director or an immediate family member who is, or has been within the last three years, employed as an executive officer of another company where any of the subject

Company's present executive officers at the same time serves or served on that company's compensation committee.

- (6) A director who is a current employee, or an immediate family member who is a current executive officer, of a company that has made payments to, or received payments from, the subject Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

The Board of Directors of the Company may also designate members of the Board of Directors of the Company's wholly owned subsidiary, Bank of Blue Valley, as nonvoting advisory members of the Audit Committee.

All members of the Audit Committee shall be able to read and understand fundamental financial statements, including a financial institution's balance sheet, income statement, and cash flow statement or will become able to do so within a reasonable time after their appointment to the Audit Committee, and at least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

The members of the Audit Committee shall be elected by the Board of Directors at the annual meeting of the Board of Directors to serve a term of 1 year or until their successors shall be duly elected and qualified. The Board of Directors will appoint a Chair to preside at the Audit Committee meetings and schedule meetings as appropriate. The Chairman shall be responsible for Committee leadership, including scheduling and presiding over meetings and making regular reports to the Board of Directors. In the event the chairman is unable to attend a meeting, he may appoint an alternate to assume his responsibilities.

A simple majority, in person or conference, constitutes a quorum.

The committee is empowered to investigate any matter relating to the Company's accounting, auditing, internal control or financial reporting practices with full access to all Company books, records, facilities and personnel.

The Committee may engage independent counsel or other advisors, as it determines necessary to carry out its duties.

II. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any governmental body or the public;

the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board of Directors has established; and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster compliance with, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are as follows:

- To serve as an independent and objective party to monitor the Company's financial reporting process and internal control system.
- To review and appraise the audit efforts of the Company's independent auditors and internal auditing functions.
- To provide an open avenue of communication among the independent auditors, financial and senior management, the Internal Auditing Department, and the Board of Directors.
- To report committee actions and make appropriate recommendations to the full Board of Directors.
- To do whatever else the law, the Company's charter or bylaws or the Board of Directors requires.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

III. MEETINGS

The Audit Committee shall meet at least four times a year and at such times as requested by the Chair. The Chair of the Audit Committee shall prepare or approve an agenda in advance of each meeting. The Company's chief executive officer, chief financial officer, supervisor of the internal audit function, outside legal counsel, and representatives from the independent auditors may be invited to any meetings. Other management may be invited as necessary. Non-committee members may be excused from attendance at any meeting or portion of any meeting by the Chair. No member of the Audit Committee shall vote on any matter as to which his or her independence may be in question.

As part of its job to foster open communication, the Audit Committee should meet at least annually with management, the director of Internal Audit and the independent auditors in separate executive sessions to discuss any matter that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with the independent auditors and management quarterly to review the Company's financial statements and significant findings based upon the auditor's limited review procedures.

IV. RESPONSIBILITIES

To fulfill its duties and responsibilities the Audit Committee shall:

Financial Statements

1. Review the Company's audited financial statements prior to the filing of the Company's Annual Report on Form 10-K.
2. Review the Company's quarterly financial results prior to the filing of the Company's Quarterly Report on Form 10-Q.
3. Review disclosures made by the CEO and CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls over financial reporting or any fraud that involves management or other employees who have a significant role in the company's internal control over financial reporting.
4. Review, as appropriate, any other material financial information submitted to any governmental or public body, including any certification, report, opinion, or review rendered by the independent auditors but not including any tax returns.
5. In connection with the Company's year-end financials, discuss with financial management and the independent auditors significant issues regarding accounting principals, practices and judgments and any items required to be communicated by the independent auditors in accordance with Statement on Accounting Standards No. 61.
6. In connection with the Company's interim financials, discuss with financial management and independent auditors any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors in accordance with Statement on Accounting Standards No. 71. The Chair of the Audit Committee may represent the entire Audit Committee for purposes of the quarterly review and communication.
7. Consider and approve, if appropriate, significant changes to the Company's auditing and accounting principles and practices as suggested by the independent auditors, management, or the director of Internal Auditing.
8. Review and cause action to be taken, as appropriate, for (1) complaints received by the Company regarding accounting, internal accounting controls, auditing matters, and (2) confidential submissions by employees regarding questionable accounting or auditing methods.

Independent Auditors

9. Appoint, compensate, and oversee the work of the public accounting firm employed by the Company to conduct the annual audit. This firm shall report directly to the Audit Committee.
10. Resolve any disagreements between management and the auditor regarding financial reporting.
11. Prior to engaging a new public accounting firm, and annually thereafter, ensure receipt from the independent auditors of a formal written statement delineating all relationships between the auditor and the Company, consistent with PCAOB Ethics and Independence Rule 3526.
12. Ensure receipt of written confirmation from the independent auditors that they are registered with the Public Company Accounting Oversight Board (“Public Oversight Board”) and are in compliance and in good standing with the Public Oversight Board
13. Actively engage in dialogue with the independent auditors and legal counsel with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.
14. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the independent auditors.
15. Meet with the independent auditors to review the scope of the proposed audit for the current year, the audit procedures to be utilized, the location, reliance on management, and staffing for the audit.
16. Approve, in advance, engagement of the independent auditors to perform audit services. In addition, approve, in advance, any non-audit service, including tax services, unless the aggregate amount of all such non-audit services provided to the issuer constitutes not more than 5 percent of the total amount of revenues paid by the issuer to its auditor during the fiscal year in which the nonaudit services are provided.
 - (1) The Audit Committee of Blue Valley Ban Corp has elected to delegate to the Chair of the Audit Committee the authority to grant preapprovals required by this section in an amount not to exceed \$15,000 per engagement. The decisions of the Chair to whom authority is delegated under this paragraph to preapprove an activity under this subsection shall be presented to the full Audit Committee at each of its scheduled meetings.
17. Following each audit by the independent auditors, obtain from the independent auditors assurance that Section 10A of the Private Securities Litigation Reform Act of 1995 has not been implicated.

18. Supervise the coordination of the internal and external audits in a manner designed to produce completeness of coverage, reduce redundancy and use audit resources effectively.

Internal Controls

19. Review, as appropriate, with the independent accountant and the director of Internal Audit, the adequacy of the Company's internal controls, including computerized information system controls and security, and any significant findings and recommendations made by the independent accountant or director of Internal Audit, together with management's responses to them.
20. Meet periodically with management, the director of Internal Auditing and the independent auditor regarding significant risks and exposures and assess management's steps to minimize them.
21. Meet periodically with management, the primary independent auditor, and the director of Internal Audit if any party thinks there might be a need to engage additional auditors. The Audit Committee will determine whether to engage an additional firm and, if so, which one.

Internal Audit

22. The Audit Committee will review and have veto power over the appointment, replacement, reassignment or dismissal of the director of Internal Audit.
23. Review the regular Internal Audit reports with management's response.
24. Review, as appropriate, with the director of Internal Audit, the Internal Auditing Department's charter, organization, activities, independence, budget and staffing, and whether the Internal Auditing Department has complied with the Institute of Internal Auditing's *Standards for the Professional Practice of Internal Auditing*.
25. Review, as appropriate, any difficulties the Internal Auditors encountered while conducting audits, including any restrictions on the scope of their work or access to required information, and any changes to the planned scope of management's Internal Audit plan that the Audit Committee thinks advisable.

Compliance

26. Review the effectiveness of the system for monitoring compliance with laws and regulations, management responses, and follow-up of any instances of noncompliance.
27. Review the findings of any examinations by regulatory agencies and any auditor observations.

28. Obtain regular updates from management, internal audit, compliance, independent auditors, and company legal counsel regarding compliance matters.

Proxy Statement

29. Approve the report of the Audit Committee required by the rules of the SEC to be included in the Company's annual proxy statement.
30. Oversee the publication of this Charter at least every three years in the Company's annual proxy statement in accordance with SEC regulations.

Ethical Compliance

31. Establish, review and update periodically a Code of Ethical Conduct (the "Ethical Code").
32. Review management's monitoring of the Company's compliance with the Ethical Code.
33. Obtain reports from management, the Company's director of Internal Audit and the independent auditor that the Company's subsidiary entities are in conformity with applicable legal requirements and the Company's Ethical Code.
34. Advise the Board of Directors on the Company's policies and procedures regarding compliance with the Ethical Code.

Miscellaneous

35. Review and reassess the adequacy of this Charter at least annually.
36. Review with the Company's general counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies related to financial matters or the Ethical Code and any material reports or inquiries related to financial matters that are received from regulators or governmental agencies.
37. Periodically conduct a self-assessment of the Audit Committee's performance.
38. Advise the Board of Directors on the Company's policies and procedures regarding compliance with applicable laws and regulations related to financial matters.
39. Review, as appropriate, policies and procedures regarding officers' expense accounts and perquisites, including the use of corporate assets, and consider the results of any review of those areas by the director of Internal Audit or the independent accountants.

40. Submit the minutes of all meetings of the Audit Committee to, and discuss the matters discussed at each Audit Committee meeting with, the Board of Directors, as appropriate.
41. Discuss with management proper review systems to see that the Company's financial statements, reports and other financial information are disseminated to governmental organizations and the public in accordance with legal requirements.
42. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

V. CONCLUDING STATEMENT

While the Audit Committee has the responsibilities and powers set forth in this Charter, management is ultimately responsible for:

- The preparation, integrity, and fair presentation of the Company's financial statements
- Establishing and maintaining an internal control structure over financial reporting, and safeguarding and management of assets
- Ensuring compliance with federal and state laws and regulations