

**UNITED CAPITAL CORP.**  
**AUDIT COMMITTEE CHARTER**

---

**ORGANIZATION**

This charter governs the operations of the Audit Committee (the “Committee”). The Committee shall review and reassess this charter at least annually and obtain the approval of the Board of Directors (the “Board”). The Committee shall be appointed by the Board and shall be comprised of at least three directors, each of whom shall be independent as defined by applicable NYSE Amex rules and regulations, as well as meet the criteria for independence set forth in the Securities Exchange Act of 1934, as amended (the “Act”). In general, members of the Committee shall be considered independent if they have no relationship that may interfere with the exercise of their independence from management and the Company. All Committee members must not have participated in the preparation of the financial statements of the Company or any other current subsidiary of the Company at any time during the past three years and shall be financially literate, being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow, or shall become financially literate within a reasonable period of time after appointment to the Committee. At least one member shall have accounting or related financial management expertise and therefore, shall qualify as a “Financial Expert” as contemplated by the NYSE Amex rules and the Act. The identity of such member(s) shall be disclosed in Periodic Filings as required by the Securities Exchange Act.

**STATEMENT OF POLICY**

The Committee shall provide assistance to the Board in fulfilling their oversight responsibility to the stockholders, potential stockholders, the investment community, and others relating to the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, registered public accounting firm, and management of the Company in discharging its oversight role. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the power to retain outside counsel or other experts for this purpose.

**RESPONSIBILITIES AND PROCESSES**

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. Management is responsible for preparing the Company's financial statements, and the registered public accounting firm are responsible for auditing those financial statements. The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring responsibilities of the Committee. The responsibilities are set forth as a guide with the understanding that the Committee may supplement them as appropriate including any changes required by them to carry out its duties, including those required by changes in the policies of NYSE AMEX.

**The responsibilities of the Committee shall include:**

1. Directly appointing, compensating, retaining and overseeing the registered public accounting firm for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and the registered public accounting firm shall report directly to the Committee;

2. Reviewing this charter on an annual basis and updating it as conditions dictate;
3. Providing oversight and monitoring of Company management, and the registered public accounting firm and their activities with respect to the Company's financial reporting process;
4. Under its ultimate authority, evaluating and, where appropriate, replacing the registered public accounting firm;
5. Discussing with the registered public accounting firm the overall scope and plans for their audit including their approach and independence, and discussing with the Company's accounting department the adequacy of staffing;
6. Discussing with management, the Company's accounting department and the registered public accounting firm the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance programs;
7. Reviewing the performance of the registered public accounting firm with the understanding of both management and the registered public accounting firm, that the registered public accounting firm is ultimately accountable to the Board and the Committee, as representatives of the Company's stockholders;
8. Resolving disagreements between Company management and the registered public accounting firm regarding financial reporting;
9. Requesting from the registered public accounting firm a formal written statement delineating all relationships between the auditor and the Company, consistent with Independent Standards Board Standard No. 1, and engaging in a dialogue with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors and overseeing the maintaining of independence;
10. Reviewing the interim financial statements with management and the registered public accounting firm prior to the filing of the Company's Quarterly Report on Form 10-Q;
11. Discussing with the Company's registered public accounting firm the matters required to be discussed by Statement on Accounting Standard No. 61, as it may be modified or supplemented;
12. Reviewing with management and the registered public accounting firm, the financial statements to be included in the Company's Annual Report on Form 10-K, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements;
13. Providing a report in the Company's proxy statement in accordance with the requirements of Item 306 of Regulation S-K and Item 7(d)(3) of Schedule 14A;
14. Discussing the results of the quarterly review and any other matters required to be communicated to the Committee by the registered public accounting firm under generally accepted auditing standards;
15. Discussing the results of the annual audit and any other matters required to be communicated to the Committee by the registered public accounting firm under generally accepted auditing standards;
16. Reviewing the Committee's own structure, processes and membership requirements;
17. Establishing procedures to receive and respond, on a confidential basis, to concerns regarding questionable accounting or auditing matters, or complaints (from employees and others) regarding the Company's accounting, internal accounting controls and audit matters;
18. Pre-approve all non-audit services to be provided to the Company by the registered public accounting firm;
19. Have the authority to consult with and retain legal, accounting and other experts in connection with the performance of its duties and responsibilities;
20. Performing such other duties as may be requested by the Board, or as the Committee shall deem appropriate;

21. Funding compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer;
22. Funding compensation to any advisers employed by the Committee; and
23. Funding ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **MEETINGS**

The Committee will meet a minimum of four (4) times each fiscal year, at least once each quarter, with two face-to-face meetings with the outside auditors or more frequently as circumstances dictate in order to completely discharge its responsibilities as outlined in this charter. The Committee may establish its own schedule, which it will provide to the Board in advance.

The Committee will meet separately with the registered public accounting firm as well as members of the Company's management as it deems appropriate in order to review the financial controls of the Company.

#### **MINUTES AND REPORTS**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

Apart from the report prepared pursuant to Item 306 of Regulation S-K and Item 7(d)(3) of Schedule 14A, the Committee will summarize its examinations and recommendations to the Board from time to time as may be appropriate, consistent with this charter.