

**AUDIT COMMITTEE**  
**BBX CAPITAL CORPORATION**  
**CHARTER**  
**(as of January 30, 2017)**

**Organization**

There shall be a committee of the Board of Directors to be known as the Audit Committee. The Audit Committee shall be comprised of not less than three members of the Board of Directors or such lesser number of directors as may be permitted by applicable national securities exchange and Securities and Exchange Commission (“SEC”) rules and regulations. The members of the Audit Committee shall be elected by the Board of Directors and shall serve until their successors shall be duly elected and qualified or until such member’s earlier resignation or removal. The members of the Audit Committee may be removed, with or without cause, by a majority vote of the Board of Directors. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

All Audit Committee members shall be free from any material relationship with the Company, as determined by the Board of Directors in its business judgment. Each member of the Audit Committee shall, in the judgment of the Board of Directors, be “independent,” as defined by all applicable laws, rules and regulations, and members of the Audit Committee shall not, directly or indirectly, accept any consulting, advisory, or other compensatory fee from the Company.

Each member of the Audit Committee shall be “financially literate,” as such qualification is interpreted by the Board of Directors in its business judgment, or shall become “financially literate” within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee shall be a “financial expert” based on the criteria established by the SEC and other relevant rules and regulations as determined by the Board of Directors in its business judgment. No member of the Audit Committee shall serve on the audit committees of more than three public companies unless the Board of Directors determines, in its business judgment, that such simultaneous service would not impair the ability of such member to effectively serve on the Company’s Audit Committee.

**Statement of Policy**

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its oversight responsibilities for, and the Audit Committee shall review with the Board of Directors any issues that arise with respect to, the quality and integrity of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements, the qualifications, performance and independence of the Company’s independent auditor, and the performance of the Company’s internal audit function. (The person or group of persons responsible for the Company’s internal audit function are sometimes hereinafter referred to as the “internal auditors.”) In so doing, it will be the responsibility of the Audit Committee to facilitate free and open communication between the Audit Committee, the independent auditors, the internal auditors, and management of the Company. The Audit Committee will also prepare a report to be included in the Company’s annual proxy statement, as required by SEC regulations, and will report regularly to the Board of Directors of the Company on its activities and discussions.

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention within its scope of responsibility with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent legal, accounting and other advisors as it determines necessary or advisable to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditors, for compensation to any advisors that the Audit Committee may choose to engage, and for the administrative expenses of the Audit Committee that are necessary or appropriate in connection with the performance of the Audit Committee's duties. The decision to engage or to terminate any advisors to the Audit Committee and all decisions regarding the fee arrangements for any such advisors shall be made solely by the Audit Committee.

### **Meetings**

The Audit Committee shall meet at least four times per year, or more frequently as circumstances may require. If the Audit Committee deems it advisable, its meetings may include an executive session of the Audit Committee absent members of management and on such terms and conditions as the Audit Committee may elect. As part of its role to foster open communication, the Audit Committee should meet periodically with management, the internal auditors and the independent auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee should meet at least quarterly with the independent auditors and management to review and discuss the audited annual financial statements or quarterly financial statements, as applicable, including the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's annual and quarterly reports filed with the SEC.

### **Responsibilities**

The primary responsibility of the Audit Committee is to oversee the Company's reporting processes on behalf of the Board of Directors and the shareholders and to report the results of its 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 the preparation, presentation, and integrity of the Company's financial statements. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements. The Board of Directors recognizes that the Audit Committee's functions are not intended to duplicate or certify the activities of management and the independent auditor, nor can the Audit Committee certify that the independent auditor is "independent" within the meaning of applicable rules and regulations.

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible to enable the Audit Committee to react to changing conditions and circumstances. The processes set forth below are intended to serve as a guide with the understanding that the Audit Committee may supplement them as determined by the Audit Committee to be appropriate.

- The Audit Committee shall be directly responsible for the appointment and termination (subject, if applicable, to shareholder ratification), setting of compensation, and oversight of the work of the independent auditors. The independent auditors shall report directly to the Audit Committee, and the Audit Committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise, including resolution of disagreements between management and the independent auditors regarding financial reporting.
- The Audit Committee shall meet at least annually with the internal auditors and the independent auditors and management of the Company to review the scope of their proposed audits for the current year and the proposed audit procedures to be utilized, including the adequacy of staffing and compensation, and shall review with management and the independent auditors the results of the audit, including any comments or recommendations they may have.
- At least annually, the Audit Committee shall evaluate the independent auditors' qualifications, performance and independence, which review shall include a review of the lead partner assigned by the independent auditors to the Company and whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself. In making its evaluation, the Audit Committee shall take into consideration the opinions of management as well as the internal auditors. The Audit Committee should present its conclusions with respect to the independent auditor to the Board of Directors.
- The Audit Committee shall review and pre-approve both audit and permitted non-audit services provided by the independent auditors and shall not engage the independent auditors to perform any non-audit services prohibited by law, rule or regulation. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee shall inform the Board of Directors of its approval of any permitted non-audit services so that the Company may disclose such approval if such disclosure shall be required by any applicable laws, rules or regulations.
- The Audit Committee shall consider whether the independent auditors' performance of permissible non-audit services is compatible with the independent auditors' independence and shall also request from the independent auditors annually a formal written statement delineating all relationships between the independent auditors and the Company consistent with Public Company Accounting Oversight Board ("PCAOB") Rule 3526. The Audit Committee shall review and discuss with the independent auditors any such disclosed relationships and their impact on the independent auditors' independence. The Audit Committee shall ensure the rotation of the lead audit partner assigned to the Company by the independent auditors at least every five years and confirm that the lead audit partner or the audit partner responsible for reviewing the audit has not performed audit services for the Company in any of the Company's last five fiscal years.

- The Audit Committee shall hold timely discussions with the independent auditors regarding material written communications between the independent auditors and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- At least annually, the Audit Committee shall obtain and review a report by the independent auditors describing: the independent auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors and any steps taken to deal with any such issues; and, for the purpose of assessing the independence of the independent auditors, all relationships between the independent auditors and the Company.
- The Audit Committee shall review and advise the Board on the selection, performance, compensation and removal of the internal auditors. The Audit Committee shall review the activities, organizational structure, and qualifications of the internal audit function. The Audit Committee shall periodically, but at least quarterly, review with the internal auditors any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit function's work.
- The Audit Committee shall review and discuss with management and the independent auditors the annual audited financial statements and quarterly financial statements of the Company to be included in the Company's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q, as applicable, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," including the results of the independent auditors' reviews of the interim financial statements, and all internal controls reports (or summaries thereof). The Audit Committee shall also review other relevant reports or financial information submitted by the Company to any governmental body, or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditors (or summaries thereof). The Audit Committee shall discuss with management and the independent auditors the quality, not just acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the Company's financial statements, and shall review and consider with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the PCAOB in Rule 3200T, as such standard may be amended, supplemented or replaced.
- The Audit Committee shall review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during the Annual Report on Form 10-K and Quarterly Report on Form 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

- The Audit Committee shall discuss, and review the type and presentation of information included in, the Company's earnings press releases, as well as discuss and review financial information and any earnings guidance provided to analysts and rating agencies; provided that any such reviews and discussions may be general in nature and need not take place in advance of the public dissemination of each earnings release or each instance in which the Company may provide earnings guidance.
- The Audit Committee shall review and discuss with management and the independent auditors significant issues regarding accounting principles and financial statement presentations, including the accounting policies that may be viewed as critical. The Audit Committee shall review and discuss any significant changes in the Company's selection or application of accounting principles and significant issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies. The Audit Committee shall review analyses prepared by the Company's management and/or independent auditors on all significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative methods under generally acceptable accounting principles on the financial statements. The Audit Committee shall discuss and review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- The Audit Committee shall discuss with management and the independent auditors the integrity of the Company's financial reporting processes (both internal and external) and the quality and adequacy of the Company's internal controls and disclosure controls.
- The Audit Committee shall review management's assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on and attestation of management's assessment. The Audit Committee shall review all material issues raised by management's internal controls review.
- The Audit Committee shall provide sufficient opportunity for the independent auditors to meet with the Audit Committee outside the presence of management, and to discuss and review the independent auditors' evaluation of the Company's financial and accounting personnel and the cooperation that the independent auditors received during the course of the audit. The Audit Committee shall regularly review with the independent auditors any audit problems or difficulties (including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with the Company's management) and management's response.
- The Audit Committee shall establish and review procedures 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 the Company of concerns regarding questionable accounting or auditing matters.

- The Audit Committee shall have oversight of conflicts of interest and review of related party transactions involving a director or an executive officer of the Company which present issues regarding accounting, internal accounting controls or auditing matters.
- The Audit Committee shall review the findings of any examination by regulatory agencies, such as the SEC, as well as any response by management to regulatory agency examinations or reviews.
- The Audit Committee shall review the Company's Code of Ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and must approve any waiver thereof.
- The Company manages and assesses risk through various processes, including the Company's internal and external audit functions. These processes shall be reviewed by the Audit Committee in a general manner so as to confirm that the processes are in place to provide the Board with the information appropriate to assess both the Company's exposure to risk and steps taken by management to manage the Company's exposure to such risks.
- The Audit Committee shall set clear hiring policies for employees or former employees of the independent auditors in compliance with applicable laws, rules and regulations.
- The Audit Committee shall perform a self-evaluation of its performance at least annually to determine whether it is functioning effectively.
- The Audit Committee shall review and reassess this Charter periodically, but at least annually, and recommend to the Board any amendments that the Audit Committee may deem necessary or advisable.

#### **Disclosure of Charter**

This Charter will be made available on the Company's website and otherwise as may be required by applicable law, rule or regulation.