

FBR CAPITAL MARKETS CORPORATION

AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors on April 21, 2009

I. ORGANIZATION

There shall be constituted a standing committee of the board of directors (the "Board") of FBR Capital Markets Corporation (the "Company") to be known as the audit committee (the "Audit Committee").

II. COMPOSITION AND SELECTION

The Audit Committee shall be comprised of three or more directors, each of whom shall meet the independence requirements of the Nasdaq Global MarketSM ("Nasdaq") for Audit Committee members.

All members of the Audit Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At the time of or prior to the registration of the Company's common stock with the Securities and Exchange Commission ("SEC"), and thereafter, at least one member of the Audit Committee (i) shall have accounting or related financial management expertise that results in the individual's financial sophistication in compliance with the standards of the Nasdaq and (ii) shall possess the requisite knowledge and experience to qualify as an "audit committee financial expert" under the rules promulgated by the SEC.

No member of the Audit Committee may serve on the audit committees of more than three public companies unless, in each case, the Board of Directors determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and such determination is disclosed in the Company's annual proxy statement. The members of the Audit Committee shall be appointed by the Board at the Board's annual meeting and may be removed by the Board.

No member of the Audit Committee may accept, either directly or indirectly, consulting, advisory or other compensatory fees from the Company or any of its subsidiaries, other than the Company's or its subsidiaries' standard directors' fees (including, additional amounts, if any, that may be paid for serving on the Audit Committee or other committees of the Board) and reimbursement of reasonable out of pocket costs incurred in connection with service on the Board or its committees.

No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the three years preceding such member's service on the Audit Committee

The members of the Audit Committee shall serve for one year or until their successors are duly elected and qualified. The full Board shall elect a Chairman and, if a Chairman is not

elected by the full Board, the members of the Audit Committee shall designate a Chairman by majority vote of the full Committee.

III. STATEMENT OF PURPOSE

The primary function of the Audit Committee shall be to represent and assist the Board in discharging its oversight responsibilities relating to: (1) the accounting and financial reporting practices, and internal control systems, of the Company and its subsidiaries; (2) the reliability and integrity of the Company's financial statements, accounting policies, and financial reporting and disclosure practices; (3) the Company's compliance with legal and regulatory requirements, including the Company's policies and procedures regarding such requirements; (4) the independent auditor's qualifications, independence and performance; and (5) the staffing, qualifications and performance of the Company's internal audit function.

In addition, the Audit Committee is responsible for preparing the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

IV. AUDIT COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Audit Committee shall have the sole authority to appoint, retain, compensate, evaluate and replace the independent auditor (subject, if applicable, to stockholder ratification) and shall approve all audit engagement fees and terms and all permissible non-audit engagements with the independent auditor. The independent auditor shall be accountable to the Board through the Audit Committee. The Audit Committee shall consult with management but shall not delegate these responsibilities. The Company shall provide such funding as is determined by the Audit Committee to be necessary for payment of compensation to the independent auditors for the purpose of rendering or issuing an annual audit report or performing other audit, review, or attest services for the Company.

The Audit Committee may form subcommittees and delegate authority to subcommittees or its chairperson when appropriate.

The Audit Committee may, to the extent it deems necessary or appropriate, meet with the Company's investment bankers or financial analysts who follow the Company. The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities and shall have the authority to retain outside advisors to assist the Audit Committee in the conduct of any investigation. The Audit Committee shall have the authority to determine, and to receive from the Company, the appropriate compensation to be paid to any special legal, accounting or other consultant retained by the Audit Committee.

The Audit Committee shall make regular reports to the Board, and shall review with the Board, any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function. The Audit Committee shall review and reassess the adequacy of this Charter, at least annually, and shall recommend any proposed changes to the Board for approval. The Audit Committee shall annually review its own performance. The members of the Audit Committee

shall be reimbursed for ordinary administrative expenses necessary or appropriate in carrying out their duties.

Among its specific duties and responsibilities, the Audit Committee shall:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor: (a) accounting policies and financial reporting issues and judgments that may be viewed as critical; and (b) analyses prepared by management and the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
2. Consider and approve, when appropriate, any significant changes in the Company's accounting and auditing policies, and review with the Company's independent auditor, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices and standards, as approved by the Audit Committee, have been implemented;
3. Meet to review and discuss with management and the independent auditor the annual audited financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K;
4. Meet to review and discuss with management and the independent auditor the Company's quarterly financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the results of the independent auditor's reviews of the quarterly financial statements, prior to the filing of the Company's Quarterly Reports on Form 10-Q;
5. Review and discuss: (a) the adequacy and effectiveness of the Company's internal controls, including any significant changes or deficiencies in internal controls reported to the Audit Committee by the independent auditor or management and any special audit steps adopted in light of material control deficiencies; and (b) the adequacy and effectiveness of the Company's disclosure controls and procedures;
6. Review and discuss with management its policies and practices regarding: (a) earnings press releases; and (b) financial information and earnings guidance given to analysts and ratings agencies;
7. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, and any accounting and financial reporting proposals that may have a significant impact on the Company's financial reports;

Oversight of the Company's Relationship with the Independent Auditor

8. Be directly responsible, in its capacity as a committee of the Board, for the appointment, retention, compensation and oversight of the work of the independent auditor, which shall report directly to the Audit Committee. In this regard, the Audit Committee shall have the sole authority to appoint, and shall appoint and retain, (subject to ratification by the Company's shareholders) and terminate, when appropriate, the independent auditor;
9. Obtain and review a formal written report by the independent auditor, at least annually, describing: (a) the independent auditor's internal quality-control procedures; and (b) any material issues raised by the most recent internal quality control review, or peer review, or by any inquiry or investigation by governmental or professional authorities in the preceding five years respecting one or more independent audits carried out by the auditing firm and any steps taken to deal with such issues;
10. Consider, at least annually, the independence of the outside auditing firm, including whether the firm's performance of permissible non-audit services is compatible with independence, and obtain and review a report by the firm describing all relationships between the firm and the Company and any other relationships that may adversely affect the independence of the auditing firm;
11. Approve in advance all audit services to be provided by the independent auditor, including all audit engagement fees and terms. (By approving the audit engagement, an audit service within the scope of the engagement shall be deemed to have been approved in advance);
12. Approve in advance all permissible non-audit services to be provided by the independent auditor and establish policies and procedures for the engagement of the independent auditor to provide audit services and permissible non-audit services;
13. Review and discuss with the independent auditor: (a) the audit planning and procedures, including the scope, fees, staffing and timing of the audit; (b) the results of the audit exam, including any problems or difficulties encountered in the course of the audit work and management's response, and any management letters; and (c) any reports of the independent auditor with respect to any interim period;
14. Review with the Company's internal auditors and the independent auditor the coordination of their audit efforts to provide for completeness of coverage, reduction of redundant efforts and effective use of audit resources;
15. Establish hiring policies for employees and former employees of the independent auditor;

Oversight of the Company's Internal Audit Function

16. Review and discuss with the senior internal audit executive the scope and results of the internal audit program, including the internal audit department's responsibilities, budget and staffing;

Compliance Oversight Responsibilities

17. Review with management the Corporation's policies and procedures regarding compliance with applicable laws and regulations;
18. Review with management, the independent auditor, compliance personnel and the Corporation's General Counsel significant reports to or inquiries received from regulators or governmental agencies that raise material issues regarding the Corporation;
19. Receive reports from management, the Company's senior internal auditing executive, the General Counsel, the independent auditor and such other persons as they may deem appropriate regarding compliance with applicable legal and regulatory requirements and the Company's Code of Business Conduct and Ethics and receive reports from the Nominating and Governance Committee concerning the Company's Code of Business Conduct and Ethics as it concerns directors;
20. Review any significant pending legal proceedings involving the Company and other contingent liabilities;
21. Establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
22. Discuss the Company's policies with respect to risk assessment and risk management; and

Other Matters

23. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval, and annually review the Committee's performance.

V. MEETINGS

The Audit Committee shall meet at least four times per year, which meetings shall include meeting separately, at least quarterly, with the Company's Chief Financial Officer, General Counsel and such other senior management as it deems necessary, internal auditor and independent auditor. The Chairman or a majority of the members of the Audit Committee may call meetings of the Committee upon reasonable notice to all members of the Committee. The Audit Committee shall report regularly to the Board with respect to its activities.

VI. OUTSIDE ADVISORS

The Audit Committee shall have the sole authority, to the extent it deems necessary, to retain outside legal, accounting or other advisors to advise the Audit Committee.